Daily Report

Latin America

FBIS-LAT-93-182
Wednesday
22 September 1993

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FBIS-LAT-93-182 22 September 1993

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Wasmosy, Lacalle: Need To Observe Mercosur Terms

PY2109051493 Asuncion NOTICIAS in Spanish 20 Sep 93 pp 16, 17

[Text] Following recent violations of tariff agreements, Paraguayan President Juan Carlos Wasmosy and his Uruguayan counterpart Luis Alberto Lacalle have agreed on the need to fulfill the clauses, terms, and objectives of the Mercosur [Common Market of the South] Treaty. The two chiefs of state reached this agreement during a meeting at the San Juan de Anchorena farm, 170 km from Montevideo.

Returning to the country at approximately 1400 yesterday, President Wasmosy added that he and Lacalle agreed on the need for clear rules and an organization to judge the behavior (of the member countries) which sometimes cause undesirable harm to the weaker economies like ours. Wasmosy thus obviously referred to the recent tariff barriers implemented by Argentina.

The Paraguayan chief of staff stated that Lacalle confirmed that he will continue to renew the permit for Capeco [Paraguayan Chamber of Oil Seeds and Cereals Exporters] to use the free port. He noted that the Uruguayan authorities are concerned because the zone allocated for the purpose in Nueva Palmira is still not being used because the association of soybean exporters has still not started to construct the necessary infrastructure in the mentioned port.

Wasmosy was later asked about the legislative branch pronouncement on the urgent need to renegotiate the Itaipu Treaty. He said the issue is being assessed but recalled the need to respect international treaties. Wasmosy explained that the statues of the treaty "do not prohibit the sale of energy to third countries."

He said that it is all a matter of interpretation and commented that it is up to the binational enterprise to sell energy. Wasmosy added: "This is my personal opinion which I hope the Brazilian authorities will share. We cannot just violate international treaties because this would harm the government and country's credibility." He reiterated that he did not wish to disclose the strategy to be adopted but said that the proposal to be made to Brazil will be disclosed following a joint effort in Congress.

Minister Urges Joint Efforts

PY2009230093 Asuncion ULTIMA HORA in Spanish 17 Sep 93 p 24

[Text] Paraguayan Foreign Minister Diogenes Martinez has made a call for the Paraguayan and Uruguayan Governments to join efforts in the search for a fluid bilateral exchange so "inequalities that usually show up in discussions with the other Mercosur [Common Market of the South] partners (Brazil and Argentina) can be overcome by common effort and permanent understanding. Paraguay and Uruguay must be natural allies in Mercosur to make sure that the union of the group includes shared concerns and projects considering our inequality."

Martinez made these remarks in Montevideo yesterday during the second day of his official visit to that country and shortly after signing a joint declaration with his Uruguayan counterpart, Sergio Enrique Abreu Bonilla. Asked by a radio station reporter why President Juan Carlos Wasmosy made such a short mention of Mercosur during his inauguration speech, Martinez said the Paraguayan president focused his speech on internal political and economic issues because at the time the Paraguayan political situation was one of high expectations.

Martinez made clear that the lack of stress on the importance of Mercosur in no way means an intention to omit or ignore it because the common market has the highest priority for our country.

President Juan Carlos Wasmosy will meet his Uruguayan counterpart, Luis Alberto Lacalle in Colonia, Uruguay, on 18 September to analyze the state of bilateral relations and evaluate the Mercosur schedule. The two presidents will be accompanied of their respective foreign ministers.

Yesterday, Foreign Minister Martinez met Vice President Gonzalo Aguirre, who is also the Uruguayan Congress president, and Supreme Court President Jorge Angel Marabotto. Martinez also participated in a meeting of the Paraguay-Uruguay Chamber of Commerce presided over by Eduardo Rocca Coutture. Martinez and Wasmosy will return to Asuncion on 19 September.

Energy Guidelines Approved

PY2109230593 Asuncion ABC COLOR in Spanish 21 Sep 93 p 13

[Text] The technical subgroup No. 9, "Energy Policy," of the Common Market of the South [Mercosur] approved the guidelines of the Mercosur energy policies last weekend in Montevideo. These guidelines entail 15 basic aspects to attain the objectives of the integrationist project, that is, the integration and free circulation of goods and services. It was learned that the drafting of these guidelines took about one day because of the firm opposition of the Brazilian delegates to the interconnection of the Argentine, Paraguayan, and Uruguayan electricity systems.

The document states: "It is obvious that this process will develop under its own driving force, based on the current national realities that are the cornerstones of the integration process. These realities indicate that the supply to national markets is a priority. Moreover, the tendency towards a greater integration in the energy field will guarantee better use of resources, obtaining benefits that are unfeasible if sought in isolation. In this sense, the experience acquired in the field of binational energy

projects opens encouraging prospects of extending them to the multilateral Mercosur field."

Despite the diplomatic style used by the experts of the subgroup "Energy Policy", the phrase ..."opens encouraging prospects of extending them to the multilateral Mercosur field," clearly reveals that the idea of interconnecting the electricity systems of the four countries is gaining strength.

ABC COLOR's sources stated that the aforementioned phrase was only included after heated negotiations, during which the Brazilian opposition to a multilateral link of the electrical systems and the strong defense of this project by technicians of other member countries, especially Uruguay, became quite obvious. It was revealed during the heated debate that the Uruguayans pointed out to their Brazilian counterparts that the meetings of the subgroup would be irrelevant if they do not assess multiple integration possibilities. The Brazilian representatives constantly pointed out the laws currently in force as well as bilateral interconnection projects.

Although during the debate they did not give concrete examples, the consulted sources agreed that the key point of these discussions was the Itaipu Treaty, which in Articles 13 and 14 categorically exclude the possibility of third countries buying the electricity generated by the Paraguayan-Brazilian dam.

The basic points approved within the context of the Mercosur Electricity Policy Guidelines are:

1. The feasibility, from the economic-financial viewpoint, of the energy project for the region.

2. To optimize the production and use of the energy sources of the region.

3. To promote integration of the energy markets of the member countries, with the freedom to purchase and sell energy between energy generating enterprises and the free traffic of energy, provided the laws currently in force in each country are respected.

4. The energy price policy is part of the economic policy of the member countries and must be respected as such.

5. The energy price (excluding taxes) must first reflect its cost; the possibility of granting preferential prices due to the specific characteristics of some consumer segments of the productive apparatus, must be assessed jointly.

6. Equal tariff treatment (taxes, tariffs, domestic duties) for the energy earmarked for productive sectors in order to harmonize the fiscal policies currently in force.

7. To promote the rational use of energy and its preservation.

8. To approve, within the framework of a free exchange of energy, the possibility of binational or multinational energy agreements within and outside the region.

9. To promote the production and use of renewable energy on sustainable economic and environmental grounds.

The guidelines include another five [as published] issues related to the coordination of proposals, adjustment of criteria to allow the access of energy enterprises to the capital markets of the member countries, and the adoption of measures that may improve the enterprises quality and productivity, etc.

Cuba

Cuban Refugees Present 6-Point Proposal

PA2209051693 Mexico City NOTIMEX in Spanish 0220 GMT 22 Sep 93

[Text] Santo Domingo, 21 Sep (NOTIMEX)—According to an official document that NOTIMEX had access to, the 72 Cubans, who have been in the Mexican Embassy in this capital since 16 September, have presented an initial six-point proposal to find a solution to the problem. Although the proposal does not imply their leaving the Mexican Embassy immediately, the group's negotiators desire to be directly protected by the Dominican Republic Presidency if they agree to leave.

In addition to food, living quarters, and humanitarian assistance, such as medical services, the Cubans want the Dominican Government to give them some type of document to legalize their situation in the country, according to local immigration policies. The Cubans want to be put under the care of the Dominican Government and the local Human Rights Commission while they wait for assistance to arrange for their visas to travel to the United States.

The Cubans are willing to admit that Mexico has no responsibility in granting them visas to the United States or mediating with third countries. According to the document, they would be willing to apologize to Mexico for the problems caused by the occupation of the embassy in Santo Domingo.

Although the proposal could undergo some changes, an adviser to the Cubans told NOTIMEX that "the entire group is willing to cooperate with the Mexican Government and try to avoid any further complications." Also according to the document, the apology would be presented to the Mexican Government through a Dominican Government official.

Manolo Dominguez, director of the Valladares Foundation, the Cuban exiles' second most influential organization, arrived in Santo Domingo today to learn about the problem. After talking briefly with the Cubans on the embassy grounds, Dominguez said "a solution is not easy and cannot be worked through magic." The Mexican and Dominican Governments have been very tolerant, he said. Dominguez said he will try to assist the Cubans, who have been staying in the Mexican Embassy since Thursday last week, through Cuban-American congressmen such as Ileana Ross and Lincoln Diaz-Ballart.

Hearing of the Cubans' decision to stay in the embassy until their demands are met, Dominguez said: "We will study it because it is a serious problem." Jesus Bontreras, Mexican foreign secretariat delegate to the Dominican Republic, confirmed that Mexico is not negotiating with the Cubans and that his position is the same as the first day. He intends, however, "to exhaust all resources available so the solution can be a peaceful one."

Mexican Envoy on Situation

PA2209051793 Mexico City NOTIMEX in Spanish 0307 GMT 22 Sep 93

[Excerpts] [passage omitted] In addition to the proposal presented by the 72 Cubans who have been occupying the Mexican Embassy in Santo Domingo, a proposal that could lead to a peaceful solution of the problem, Mexican Ambassador Fernando Benitez is seeking a similar route to a quick way out. Benitez said Mexico will take up the responsibility of finding a solution of the conflict that started in the early hours of last Thursday [16 September].

He said that, according to the Vienna Agreement, it is the Dominican Government's duty to guarantee protection for the embassies. Benitez denied that the Mexican Government is conducting some kind of negotiation to try to secure visas for the Cubans to travel to the United States. He reiterated his government's refusal to use the public force to dislodge the Cubans from the embassy. Upon hearing the Cubans' decision to stay on the embassy grounds until they get a satisfactory answer to their demands, Benitez said: "Mexico will not conduct negotiations with third countries." [passage omitted]

Today, Ambassador Benitez expressed anger over remarks made by the Cubans for the local media saying the 24 children in the group were suffering from diarrhea, vomiting, and bronchitis. "The Cubans get medical checkups on a daily basis. I am deeply upset, because they not only have invaded the embassy but now slander. We have been too tolerant, but we will not use violence to dislodge them," he said.

Eight Shipwrecked Cubans Rescued in Gulf

PA2109162593 Madrid EFE in Spanish 1757 GMT 20 Sep 93

[Text] Mexico City, 20 Sep (EFE)—On Monday, it was reported that an Antigua-flagged vessel rescued eight Cuban "boat people" who had been shipwrecked in the Gulf of Mexico and handed them over to the military authorities of Veracruz port on Sunday. According to the Mexican daily EL NORTE DE MONTERREY, the eight Cuban castaways who had been adrift for seven days wanted to reach the United States to request asylum. The vessel Dorothy rescued the "boat people" in the early morning hours of Sunday and handed them over to the military authorities of this port, located 325 km east of Mexico City.

This is the second time that a group of Cubans capsized off the Mexican coast after the Mexican Navy rescued eight castaways off the Quinta Roo coast on 17 August. The rescue and deportation of those eight Cubans prompted a wave of "boat people" seeking aid, who decided to use Mexico as a "springboard" to the United States, according to Mexican officials.

On 9 September, a group of 11 Cubans occupied the Mexican Embassy in Havana requesting visas to Mexico

and from there to the United States. Those 11 persons arrived in Mexico two days ago and are currently working on their trip to the United States with the assistance of anti-Castro groups.

Another crisis is taking place at the Mexican Embassy in Santo Domingo, Dominican Republic, where, since 16 September, 72 Cubans have been occupying the embassy garden. They are demanding to be taken to Mexico and from there to the United States. Although the Mexican Government initially reiterated its foreign policy's respect for the protection of human rights, it announced last night its flat refusal to help the Cubans occupying the Embassy as a way to end the Cubans' action.

Robaina, Diplomatic Corps Tour Eastern Provinces

FL2209021793 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 22 Sep 93

[Text] On 21 September, Foreign Minister Roberto Robaina conducted a work trip to the eastern provinces as part of the strategy to make foreign policy evolve from the domestic reality of Cuba. Together with the diplomatic corps accredited in Cuba, Robaina toured nickel industry facilities in Moa and the city of Baracoa.

Joint Interferon Venture With PRC Announced

FL2109193093 Havana Radio Rebelde Network in Spanish 1700 GMT 21 Sep 93

[Text] It is reported from Beijing that enterprises from Cuba and China, which work with high technology in the medical sphere, next week, are going to establish, in Beijing, a new joint venture that will dedicate itself to marketing and producing interferon. The emergence of this venture follows the establishment of the first Chinese-Cuban joint venture in Beijing, one dedicated to high-tech medical equipment, a little over a year ago.

Editorial on Findings of Human Rights Rapporteur

FL2109211693 Havana Radio Rebelde Network in Spanish 1700 GMT 21 Sep 93

[Station editorial]

[Text] When, at the end of the eighties, the U.S. campaign against Cuba in connection with alleged Cuban violations of human rights became more virulent, the nation's leadership responded forcefully, inviting a UN commission to visit Cuba so that it could verify the situation firsthand. This visit, to which we alluded in our earlier commentary, took place in September of 1988. The commission was presided over by a representative from Senegal and consisted of representatives from Bulgaria, Colombia, Ireland, Nigeria, and the Philippines.

The principal observations this commission made in our country were as follows:

1. That the Cuban Government and people showed cooperation to the commission in carrying out its activities.

2. That the Revolution has had to unfold within the context of hostility on the part of the United States, and that Cuba's legal and constitutional systems have had to correspond to this situation.

3. That the Communist Party establishes general guidelines for development in all spheres, but does not instruct the courts on court decisions.

4. That Cuba respects the right of asylum, but does not accept illegal entry into embassies.

5. That the loss of Cuban citizenship is applicable only to those who, from abroad, conspire against our people.

6. That there is not, in Cuba, a single case of a person's disappearance, nor are prisoners tortured.

7. That Cuba guarantees authorization to leave for those who wish to do so; however, if such people do not have a visa from another country, that is not Cuba's responsibility.

8. That Cuba guarantees the right to a job, [access to] the social security system, and the protection of mothers, children, and the elderly, as well as the care of those who are temporarily or permanently ill.

9. That life expectancy in 1958 was 52 years; in 1988, 75 years.

10. That when the Revolution triumphed, Cuba had 15,000 university students, and that this figure had risen to 310,000 in 1988.

No special rapporteur would find, in Cuba, anything other than what has been stated here. On the contrary, he would find that these observations even compose a rather modest picture of reality, and this despite the U.S. blockade, which flagrantly violates the human rights of all Cubans.

To let similar observation missions become systematic would mean succumbing to the manipulations of the United States on a matter of principle, and as Foreign Minister Roberto Robaina said last night: The path of making concessions on principles leads only to humiliation and defeat.

Haiti

Military Department Note on Public Offices Safety

FL2109153793 Port-au-Prince Radio Tropic FM in Creole 1200 GMT 21 Sep 93

[Text] The Military Department of the Port-au-Prince Metropolitan Area reminds all citizens that the violation of public institutions, that is of public offices, is punishable by law. In a note published on 20 September, the

Military Department of the Metropolitan Area says that within the scope of its mission it has taken all necessary measures to protect workplaces.

The Military Department says it has put itself at the disposal of administration officials within the limits of the law on state service, regarding any intervention inside the premises of the public offices if the officials so request.

The Port-au-Prince police note has come at a time when the civilian authorities cannot install state servants appointed to the public administration. The latest example happened at the Ministry of Foreign Affairs where Prime Minister Robert Malval installed Mrs. Claudette Werleigh as minister of foreign affairs under significant pressure and armed threats. The general managers have not yet been installed at Radio Nationale and at Television Nationale due to threats.

Senators, Deputies Convene for Assembly Session

FL2109170493 Port-au-Prince Radio Tropic FM in Creole 1200 GMT 21 Sep 93

[Excerpt] The deputies and senators are convened once again in national assembly to open an extraordinary session on 21 September at 1200. This is the third attempt in one week at convening the assembly since a presidential order asked the legislators to meet to discuss some urgent laws [as heard]. The first attempt failed on 15 September due to lack of a quorum. Regarding yesterday's attempt, there was a communications problem between the presidents of the two chambers. There was confusion whether the session was to begin at 1200 on 20 September or 1500 on 21 September, according to National Assembly President Firmin Jean-Louis. [passage omitted]

Session Postponed Again

FL2109195193 Port-au-Prince Radio Metropole in French 1600 GMT 21 Sep 93

[Excerpt] The extraordinary session of parliament, which was scheduled to be held last week, and which had already been postponed twice, was rescheduled for today, 21 September. Let us listen to Edner Jean, who is on the spot.

[Jean] Good afternoon, Kettly. Indeed, it is the first secretary of the office of the Chamber of Deputies, who is also the second secretary of the office of the National Assembly, who just announced to the journalists that the parliament's extraordinary session would again be postponed today.

As Senator Firmin Jean-Louis, president of the National Assembly, said on 20 September, there is a certain discontent within the parliament. Some deputies in extraordinary session [as heard], especially at the presidential commission's meeting, denounced the behavior of the government and asked the government to publish the law on amnesty. According to information we were able to acquire this morning in parliament, this law is ready and should be published shortly.

The deputies emphasized the viewpoint of the majority members of the Alliance for Parliamentary Cohesion, who supported the government during the vote of confidence and who ask that this law be published before the law on the separation of the police and Army is tackled. [passage omitted]

Mayor Faults Armed 'Bandits' Occupying City Hall

FL2109193293 Port-au-Prince Radio Tropic FM in Creole 1200 GMT 21 Sep 93

[Excerpt] Port-au-Prince Mayor Evans Paul asks the Haitian Army officials to drive off the armed group that has taken over the City Hall premises. Paul denounces the behavior of this group that has created a climate of terror in the country and is preventing the administration from working.

[Begin recording] The Port-au-Prince mayor congratulates the national confederation of people's organizations of the country and others who helped with efforts to rid Port-au-Prince of trash. The Port-au-Prince mayor condemns the dishonest actions being committed by the group of bandits of [former acting Mayor] Gerald Salomon, members of the coalition that elected members to the Port-au-Prince Communal Council during the 16 December 1990 elections, who are breaking up vendors' stalls.

The Port-au-Prince mayor advises the public that the Gerald Salomon team of bandits continues to hold City Hall hostage. They [word indistinct] all the efforts being made by the mayor and the government so the country can pay all employees some money at a time when school is about to reopen.

On 20 September, Salomon's team of bandits attacked the driver of a delegation sent by the mayor to City Hall to study the employees' payroll issue. The Port-au-Prince mayor wants all City Hall employees to know that if they do not receive their salaries for this month, Gerald Salomon and his bandits will be responsible for that. [passage omitted] [end recording]

Jamaica

Patterson Addresses Final PNP Conference Session

FL2009235293 Bridgetown CANA in English 1714 GMT 20 Sep 93

[By Garfield Myers]

[Text] Kingston, Jamaica, Sept 20, CANA—Jamaica has passed the June test set by the International Monetary Fund (IMF), opening the way for the setting of economic

goals for the year, starting October 1, Prime Minister Percival Patterson said Sunday.

In an address to the closing session of the ruling Peoples National Party's (PNP) 55th annual conference, Patterson said all targets including those related to the net international reserves, net domestic assets, and the fiscal budget were met.

The prime minister, who spoke for just half an hour in apparent deference to his doctors, who have instructed him to rest following a fainting spell on a public platform a week ago, also touched on plans for Jamaica's foreign exchange earning industries, including tourism, alumina, and sugar.

And in the wake of a spate of road accidents recently resulting in more than twenty deaths and more than 200 injuries, in just over two weeks, the prime minister announced a number of measures to increase responsibility on Jamaica's roads.

"As of 30th June, the Jamaican Government and the Jamaican people gone clear in so far as the IMF tests are concerned," Patterson, who was returned unopposed as president of the PNP, told thousands of cheering supporters in Kingston's national arena. Patterson did not mention the September test, but with the calculations still being done, government officials have expressed optimism about the results of that test.

The prime minister said that de facto finance minister, Omar Davies, (minister without portfolio in the Finance Ministry) would lead Jamaica's delegation to Washington next week to attend the annual meetings of the World Bank and the IMF and initiate talks on targets during the next 12 months.

Patterson reiterated that his government intended to make the current extended fund facility the last programme with the IMF. Jamaica has been heavily dependent on IMF funding since the late 1970's. He stressed, however, that for this to be achieved, there needed to be continued improvement in fiscal management and increased growth in foreign exchange earnings, all revenue due government had to be collected, there had to be an extension of the tax collection net, and the public sector surplus should be increased to improve government's ability to finance projects from local resources.

The private sector also needed to "invest, modernise, and compensate" in line with their workers' productivity while workers should ensure that wage increases were matched by increased productivity, added the prime minister.

Turning to tourism, which grossed 850 million dollars (U.S.) last year, Patterson said government had made progress with hoteliers on the "contentious" 12.5-percent General Consumption Tax (GCT) proposed for the industry. Hoteliers have strongly objected to the imposition of the tax. Patterson said security and special resort patrols will be in place to collaborate with the police in helping to prevent crime in the resort areas during the coming winter season. There would also be improvement in the environmenmt and general infrastructure and the Jamaica Tourist Board had received additional funding from government for its advertising progranmme.

Patterson said while the alumina industry, which grossed 500 million U.S. dollars last yea., was continuing to perform well below peak, the leading companies including Alpart and Alcan were pressing ahead with expansion plans in order to take advantage when the worldwide industry recession ends.

Plans were going ahead for the divestment of the sugar industry, which earned over 80 million U.S. dollars last year. Four sugar factories are up for divestment, and 312,000 acres of land for leasing. Fifteen applications, including one from overseas, had been received for the factories, and the tenders were being 'evaluated,' said Patterson.

While he would "spearhead the entire exercise myself," State Minister Roger Clarke would have specific charge of the divestment programme, said the prime minister. The aim of the programme is to ensure the injection of capital to provide modern equipment, new technology, and the full involvement of cane farmers, factory workers, and canecutters in the ownership of the sugar industry. "With this divestment and the availability of the non-sugar lands, come the opportunity for a most comprehensive programme of land reform and housing development," said the prime minister.

Turning to the number of deaths on the roads, the prime minister said "the time has come for action." Breathalyser legislation would be going to parliament next month for implementation by January 1, in a bid to prevent drunk driving. Effective immediately there would be an increased effort by the police to curb irresponsible road use. Public passenger, driver, and conductor certification would be reviewed over a three-month period; public transport vehicles as well as drivers will be tested at random. Testing and entry requirements for drivers in the public transport system will be increased. More than 270 people have died in traffic accidents this year.

President Salinas Leaves on U.S., European Tour

PA2009161893 Mexico City NOTIMEX in Spanish 1523 GMT 20 Sep 93

[Text] Mexico City, 20 Sep (NOTIMEX)—Mexican President Carlos Salinas de Gortari left today for San Francisco, California, en route to a nine-day tour of Belgium, Sweden, and the Netherlands.

The Mexican president will be the main speaker today at the International Industrial Conference, an event held every four years in San Francisco and which is attended by the world's most influential business leaders.

Salinas Promises Government Will Promote Growth

PA2009180593 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 20 Sep 93

[Report by Patricia Gutierrez from the "Good Morning From Mexico" newscast]

[Text] President Carlos Salinas de Gortari has announced to the country's industrial community gathering in Puerto Vallarta that the government will promote higher growth without incurring a deficit by virtue of its fiscal surplus. The president explained this will contribute to consolidating public finances and keeping a lid on inflation. Salinas made these comments as he closed the annual industrialists' meeting.

[Begin Salinas recording] That is why you, industrialists and businessmen committed to the country's development, can be assured we will encourage you to create more jobs, increase production, and thereby contribute to the nation's general welfare. These are simple words, and I will reiterate them for you. We are not going leave you on your own. We know times are hard and that is why we have learned to work together, to find solutions together, to reach our goals together, and to build the nation we want together. [end recording]

In his address to the industrial leaders from across the country, President Salinas said a reduced inflation rate, the performance of interest rates, and a 25 percent increase in private investment financing will allow Mexico to grow at a greater pace later this year. After telling businessmen the process of deregulation will be expanded, he admitted government and business will have to work together to more effectively detect and counter unfair competition from abroad. Further, he said this entire plan to help businessmen is designed to open financial channels. Next year, some 500,000 smaller companies will receive loans, he added.

El Salvador

World Bank Approves $52.5 Million in Loans

PA2109174693 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 20 Sep 93

[Text] The World Bank has announced the approval of two loans that add up to $52.5 million, which the Salvadoran Government will use to implement economic recovery and adjustment programs. The international organization detailed that $50 million will be used to finance a number of economic plans, while $2.5 million will be used to carry out technical assistance programs.

According to World Bank provisions, 60 percent of the loan will be disbursed immediately, and the remaining $20 million will be disbursed in June 1994.

U.S. 'Leftists' Support FMLN Electoral Goals

PA2109163693 San Salvador EL DIARIO DE HOY in Spanish 17 Sep 93 p 7

[From the "Light and Shadow" column by Carlos Giron S.: "More U.S. Pressure in Favor of the FMLN"]

[Text] The United States, or better said, the leftists in the State Department do not hide their wish that the FMLN [Farabundo Marti National Liberation Front] obtain some kind of significant victory in next year's general elections. The FMLN has received all assistance and concessions to become a political party and all conceivable opportunities to push and place it as close as possible to the doors of the presidential residence.

In tune with these wishes, the United States is openly applying new pressure by announcing the freeze of $35 million, which will not be given to the Supreme Electoral Tribunal (TSE) if it does not expedite the registration and issuance of voting cards. The pressure is so blatant that the TSE was given a peremptory period of two weeks "to get its act together" and issue voting cards left and right, maybe without meeting all the basic requirements, such as the presentation of either identity cards or birth certificates.

What is behind the rush? The United States wants a majority of the peasants, who have been indoctrinated and deceitfully converted to FMLN followers to receive voting cards to ensure that during the elections the party, which continues to hide weapons in underground caches, will receive an overwhelming vote and will not only win many municipal and deputy seats, but will also get dangerously close to the San Jacinto presidential residence.

This would be a potential menace since the rural population is much larger than the urban population and everyone knows how FMLN groups have always worked with peasants, inciting them to take possession of other people's land. The FMLN has promised the peasants that once it reaches power, it will help them "work productively" and will remove "exploiters."

The U.S. leftists relentlessly support those who seek the total destruction of Salvadoran society under the excuse of establishing the reign of "social justice" and that there be an "equitable distribution of wealth." These dangers are evident when we recall how inconsistent the masses are. A clear example of this is how those who were deceived into becoming FMLN followers have easily forgotten how they suffered because of remorseless and merciless terrorist attacks on civilians and their workplaces. The burning of sugar cane and cotton fields and preventing cutters from reaching the coffee plantations are examples of such guerrilla attacks. Similar attacks occurred in cities, especially the cowardly and unexpected "offensives," which sought to achieve political power to establish a communist government.

What they could not achieve by means of bullets they now want to achieve with the voting cards, which the United States is demanding be quickly distributed with the sole objective of favoring the shady ambitions of the communist leaders who manage the FMLN with the political and economic support of and in collusion with Uncle Sam.

Honduras

Foreign Minister Remarks on Group of 4 Summit

PA2109140093 Tegucigalpa Voz de Honduras Network in Spanish 1750 GMT 20 Sep 93

[Report on interview with Foreign Minister Mario Carias Zapata by an unidentified reporter; place and date not given; from the "News on the Air" newscast]

[Text] President Leonardo Callejas will travel tomorrow to Guatemala City where a Central American Group of Four [CA-4] Summit will be held. In addition, the presidents of the host nation, Nicaragua, and El Salvador will be present. They will continue to discuss issues related to the Central American integration process, but on this occasion they will specifically deal with finding a solution to Nicaragua's internal problem. Here is what Foreign Minister Mario Carias Zapata has said on this issue and on the procedure Honduras has to follow to request international aid:

[Begin recording] [Carias] The meeting will start at 0800 [1300 GMT] at the Santo Tomas Ranch, which is the presidential residence south of Guatemala City. The meeting will last all morning until lunchtime. The main issues to be reviewed are the progress that the CA-4 has made in the integration process and other matters that had been submitted by the government ministers that are being considered. In addition, the presidents will talk with Dona Violeta Barrios de Chamorro on the current situation in Nicaragua. In our opinion, the situation in Nicaragua can still be considered as quite critical; therefore, it still warrants that the Central American nations

should make an effort to help Nicaragua solve its problems. The CA-4 foreign ministers will be there discussing whether it is necessary to reactivate our role as mediators on 22 September. Because this issue also involves Panama and Costa Rica, we will keep in touch with them from Guatemala City by telephone.

[Reporter] [Words indistinct] what could be decided, and how is the situation in Nicaragua? Does the situation still merit some kind of intervention or mediation by the Central American foreign ministers?

[Carias] After the two rounds of talks we held during the past weeks, I believe that the foreign ministers are in a position to make some recommendations. I received some promising news that the dialogue between the National Opposition Union [UNO] and the government had continued through all these days; they are now looking for points of agreement. As you know, from the UNO's point of view, these points must be agreed to prior to the meeting they will hold with the Sandinist National Liberation Front. The problem is that if the economic situation continues to deteriorate, there is a risk of a social outbreak. Given the large amount of weapons in the hands of civilians in Nicaragua and in the hands of organized groups of demobilized soldiers from the contras and particularly from the Sandinist People's Army, any social situation can immediately turn into an armed confrontation.

[Reporter] During the meeting held in San Salvador, there were bilateral agreements made with Honduras. Will the same occur with Guatemala?

[Carias] No. At that time we made some progress on the electricity interconnection project and on the road issue, but with Guatemala this will not occur.

[Reporter] Besides the Nicaraguan issue, what else will be discussed in this meeting?

[Carias] We have to compare notes again concerning the progress made in the CA-4 integration process and that of the Central American Group of Six [CA-6]). As you know, the signing of the protocol to the General Treaty of Central American Integration will mean significant progress in the economic field. This was discussed by the economic cabinets of the six nations from 8 to 19 September, and everyone hopes that by October, at the CA-6 Presidential Summit, the protocol could be signed. It will be precisely in Guatemala where we will receive an evaluation from the economic ministries to learn of how much progress Costa Rica has made toward joining this process. In any case, Honduras does not want to exclude any nation from the integration process. We want to go forward together, although we are willing to grant Costa Rica the possibility of joining gradually so that certain measures can be adopted at the pace they consider more convenient.

[Reporter] Do you have any reports from the mayors of [word indistinct] with regard to Nicaraguan forces invading us?

[Carias] No, lately we have not had any additional complaints and our troops on the borders have been reinforced. Nevertheless, we have taken great care to demonstrate that there is no mobilization of Honduran troops along the Nicaraguan border. We want to avoid any misinterpretation by Nicaragua or for certain groups of that nation to use as an excuse to say that Honduras wants to interfere in Nicaraguan affairs. How can I put it.... [pauses] there is a great deal of mistrust among those sectors in Nicaragua and we do not want to add other unsettling motives from abroad. Honduras will not intervene in Nicaraguan affairs and this is the Honduran Government's very decided and firm stance.

[Reporter] In another turn of events, what is the status of the asylum request presented by a doctor from the Cuban delegation? Also, what about the other four persons in the same situation who have also requested asylum?

[Carias] Up until now, we have not received new requests at the Foreign Ministry level. We only have the information published in the press.

[Reporter] With regard to international aid, what could Honduras request to face the situation created by natural disasters? What is the mechanism to follow?

[Carias] The United Nations has a center for the prevention of natural disasters located in Geneva that releases funds automatically to the member nations in cases of serious floods, hurricanes, or earthquakes. Therefore, we can count on a first disbursement from this organization. We will also received some aid from the OAS. The session held this morning on contingencies is to coordinate the diverse reports from several parts of the country and those from the ministries. We will draw up one list from which we will determine what international aid is needed. Subsequently, we will contact our ambassadors abroad and the diplomatic missions in Tegucigalpa with specific requests for donations, in cash or in supplies to face the crisis our brothers are going through, particularly those in the valley of [words indistinct]

[Reporter] What was the first contribution received from [words indistinct]?

[Carias] I do not have the information with me, this was handled by the Planning Ministry. At the end of this morning's meeting I believe we will have more precise details.

* Housing Costs Up 5.4 Percent Since Dec 92

93CA0183B San Pedro Sula TIEMPO (MARTES FINANCIERO Supplement) in Spanish 27 Jul 93 pp 1, 7

[Text] The housing shortage continues to be one of the most serious problems affecting the country, and has become even more acute since implementation of the economic adjustment programs, which have contributed considerably to the increased cost of housing.

The disproportionate growth in demand, in the face of an increasingly restricted supply, contributes an additional adverse element to the housing shortage.

Causes range from the population's high growth rate and unequal distribution of income, to the government's lack of an aggressive housing policy that would permit access to housing by more families of limited economic means.

According to the National Human Development Plan 1992-2000, housing construction in Honduras has not kept pace with population growth, thus creating a serious shortage in 1990, estimated at 450,000 units.

Moreover, inflation, measured according to the housing sector inflation index, was 5.4 percent from December 1992 to June 1993, and the monthly [quarterly?] rate, that is, from April to June of this year, was 2.3 percent, according to figures from the Honduran Construction Industry Chamber.

Inflation from December 1992 to December 1993 was 4.8 percent, and in observing the index's rising trend, which has increased in recent months, it is expected that housing prices will rise further in the next few months of the year.

Construction Industry Chamber Information Center Director Gloria Pineda explained that higher interest rates resulting from the increased legal reserves would raise housing costs, because financing would become much more expensive.

She stated that with the creation of the Social Fund for Housing and the Private Contributions Regime, there are financial resources available at much lower interest rates.

These funds were established to finance housing construction for middle-class families who do not have access to bank credit, but these funds are not sufficient to completely address the problem.

The problem of the high cost of housing has become more acute because construction creates a chain, that is, if in order to expand his plant or equipment the materials manufacturer needs financial resources, and if he can only acquire them at a greater cost, the final product will undoubtedly be much more expensive, she explained.

She noted that the high cost of housing is a serious problem, since it eliminates access to housing by most of the population with scant resources.

Thus, with the goal of reducing the cost of housing and making it more accessible to the population, new technologies are being used on the one hand, and on the other, the size of houses is being reduced, according to Pineda.

Regarding raw materials, Engineer Pineda pointed out that the increased Customs Valuation Factor has contributed to a greater increase in costs, since even though in Honduras there are materials factories, the raw materials they use are imported.

The increased minimum wage, which has increased the cost of labor, has also had an effect on the costs of materials and housing construction, said Pineda.

According to the engineer, housing production has increased despite the higher raw materials prices, due to the government's determined policy to resolve the problem.

In this respect, she said that the government's goal this year is to build 20,000 units, through massive projects like Ciudad Mateo.

Studies that have been carried out show that at least 10,000 houses must be built every year, but that currently only about 6,000 are being constructed.

Pineda said that the demand for housing is increasing because of the accelerated population growth, but that supply is not keeping pace.

The government's housing policy should thus be directed toward facilitating employment opportunities and creating instruments to provide incentives for greater investment in the housing sector.

The housing problem does not only imply shortages, but also low quality, which should be improved, she emphasized. (MMB)

* Nationwide Housing Shortage: 450,000 Units

93CA0183C San Pedro Sula TIEMPO in Spanish 1 Aug 93 pp 20-21

[Article by Roberto Romero Corea]

[Text] If the health and safety conditions at most of the capital's rental rooming houses are depressing and pose risks to their tenants' lives, the danger is even greater in a rooming house located one block west of the health center in the El Manchen zone, where "we sleep with one eye open," according to a tenant, "in case of any emergency."

That rooming house, declared unsafe and uninhabitable by the Tenancy Administrative Department (DAI), is on its way to being closed because its 75 residents, 55 of whom are children, cannot continue living in such deplorable conditions, even though they refuse to leave it because it is so cheap.

The conditions in this rooming house are alarming, commented DAI social worker Flora Medina, who said that the 14 families living there have access to only two baths and two toilets, which never have water.

"The children attend to their physical needs in the small patio of the rooming house and around the outside, creating a dangerous potential for infection," she warned.

Despite the fact that the building, the property of Santiago Padilla, was declared unsafe because its rooms are in extremely poor condition, with rotten wood and an unworkable roof, its tenants resist abandoning it, "because we cannot find cheap living space elsewhere," they said.

The Tenancy Department has another 20 signs reading "Closed for Safety Reasons" ready to be placed on an equal number of rooming houses that are similar in not offering even the minimum guarantee of health and safety for their tenants.

The city's rental problem continues to be acute, and what is worse, there is no solution in sight. Most of the 1,500 rooming houses in Tegucigalpa and Comayaguela are in poor condition, worsening the plight of the 78,000 tenants forced to live in conditions that could even be called inhuman, because they lack sufficient resources.

According to Tenancy Department studies, the capital's rooming houses average 11 rooms apiece, with 12 families in each building, totaling approximately 52 persons per building.

Official figures indicate that 296 rental rooming houses (41 percent) are in good condition; 46 (6 percent) are in poor condition; and 377 (53 percent) could be improved.

So far this year, the Tenancy Department has declared 21 rooming houses unsafe, to be definitely closed, while 24 have been declared unsafe, to be rebuilt.

The 1,500 rental rooming houses are in precarious physical condition, and according to the evaluation of the Interinstitutional Commission, which was charged with examining them, urgent repair is needed for 490 walls, 422 floors, and 437 roofs which pose risks for the tenants.

Fifty-nine percent of the lighting and ventilation is in poor condition, and 49 percent of the buildings show anomalies in their electrical systems, posing an immediate fire danger in 51 of the buildings.

Of the 1,500 rooming houses, only 219 have a constant supply of drinking water, 305 ration it for two hours per day, 148 have systems installed but only rarely provide any water, and 46 have no service.

The study shows that only 301 rental buildings have toilets in good condition, 362 have latrines that are washable but in poor condition, and 35 have latrines dug into the ground, or nothing at all.

Tenancy Administrative Department Director Wilfredo Alfaro Lopez said that last week he presented a proposal to the National Congress to reform current legislation, to resolve various problems that are currently at issue.

One of the reforms would force the rental building's landlord to take the keys from the tenant when the tenant decides to leave without completing the rental period.

This provision would prevent landlords from forcing tenants to pay rent through completion of their contracts, even if the tenants have decided to cancel them.

It would be ruled that when a request to vacate unsafe rooms has been made but not complied with by the landlord-owners or the renters, the DAI will demand through the Attorney General of the Republic that the buildings that are in a complete state of deterioration must not continue endangering the inhabitants.

Under the reforms, rents will be fixed according to the assessed value of the building plus the cost of improvements, multiplied by 0.25 percent.

Rents have risen over the last two years, since rooms that cost 65 lempiras in 1989 and early 1990 now cost 100 or 110 lempiras per month.

The small rooms classified as least safe rent for between 80 and 100 lempiras, but there are also some for 150 to 200 lempiras, depending on the size, building condition, and the zone in which they are located.

Comayeguala's cheapest rooming houses are located in Las Crucitas, Los Profesores, La Ayestas, La 3 de Mayo, and elsewhere, and in Tegucigalpa the most "comfortable" houses, referring to their price, are found in the La Guadalupe, El Bosque, El Manchen, and El Eden zones.

According to law, a building with 20 rooms must have a minimum of six toilets, one for every three rooms, but reality is something else, admitted the DAI officials, who despite everything, noted that under the influence of the Interinstitutional Commission the conditions in rental properties have improved by 50 percent.

The proposed reform is predicated on rented rooms in rooming houses being exempted from the free market, in order to favor the lowest social levels, those who remain subject to the Tenancy Department's fixed rental rates.

It also stipulates that rents for housing, property, or rooming houses will be increased only when the property's landlord carries out new construction, expands or makes major improvements, or when the municipal assessment has been revalued.

In cities with higher populations, like Tegucigalpa, San Pedro Sula, La Ceiba, Santa Rosa de Copan, Choluteca, and Comayagua, the total number of rental units is 92,196.

In the opinion of Flora Medina in Tegucigalpa, the cost of living has risen substantially, and worst of all, she says, is the housing shortage, since "even if the tenants want to abandon a property because their rent has increased, they cannot do so because they do not have

the option of going elsewhere, there is insufficient supply in rental housing for the tenant to freely select a property."

The greatest problem is the difficulty of getting people to pay their rents, she emphasized, since rental prices are skyrocketing month by month.

According to Tenancy Department figures, there is a shortage of 18,054 units in the capital's 354 zones and neighborhoods, representing 51 houses per zone.

But according to the latest Population and Housing Census of 1988, Tegucigalpa would require 288,000 housing units to cover the demand, and at the national level the shortage is 450,000 houses.

In Medina's opinion, what is needed is to implement programs encouraging people to return to the countryside, since "we have to prevent this constant exodus to the capital, because they are coming and filling up the outskirts, or they are coming to seek rental housing, and there is definitely none to be had."

For his part, the Tenancy Department director stressed that it is necessary to improve living conditions among the least favored social levels, as "they are the people we must favor in setting rents, not those with the luxury of paying 3,000 or 4,000 lempiras in rent."

The Tenancy authorities have said that their main work consists not in declaring properties unsafe, to be closed and demolished, but rather to get owners to commit to carrying out necessary improvements, without forcing the tenants to move, since that would aggravate the capital's housing shortage problem.

Nicaragua

Transportation Strikers Gain Strength, Support

PA2109193593 Managua Radio Sandino in Spanish 1831 GMT 21 Sep 93

[From the "Radio News" newscast]

[Text] On the second day of the transportation strike, the strikers have gained strength and have received support from the departments. The agreements signed in the predawn hours of 21 September between the government and the cargo and passenger transportation federations were not supported by the members of the Nicaraguan Transportation Chamber, arguing that those who signed the accord usurped the name of the chamber.

The government calling the members of the Nicaraguan Transportation Chamber outlaws automatically contradicts the signing of said accords, the strikers added. Article 10 of the accord was subject to consultation for full approval in a meeting that will be held at 1600 today. It deals with establishing a single and independent rate [words indistinct] year and model through an additional modification in the vehicle ownership tax, which would be as follows: For cargo trucks, buses, small buses, taxis, and trucks of less than 5 tons, 150 cordobas; trucks from 5 to 12 tons would pay 175 cordobas; and trucks larger than 12 tons would pay 250 cordobas.

Transportation strike leaders called on the population of the capital not to circulate after 1300 under the threat of not responding for their free mobilization. They are trying to strengthen the strike so that the government is forced to meet their demands.

Riot police have fulfilled the orders of the Government Ministry to remove the barricades. the Northern Highway was cleared to allow President Violeta de Chamorro to travel to the airport this morning. She traveled to Guatemala to meet with her Central American colleagues of the G-4 [Group of Four].

At approximately 1030 on the Northern Highway, between Portezuelo and the Camino Real Hotel, barricades of street bricks and even a large truck [words indistinct] blocked the passage of vehicles. Similar situations occurred elsewhere in Managua, where riot police take more time in removing obstacles than strikers in putting them back up again.

Of 42 persons arrested, nine were released this morning thanks to efforts of [words indistinct]. Banks decided to serve the public only during the morning and two hours in the afternoon. The supermarkets, which on the first day of the labor strike registered an attendance of only 10 percent of their personnel, decided to close at 1500. The sale of milk, bread, and basic products has been reduced by 90 percent. Suppliers have put their products away to prevent them from being destroyed at street intersections.

On the evening of 20 September, Radio Corporacion was attacked yet again. The terrorists blew up the 25 kw Radio Corporacion transmitter with fragmentation grenades. Jose Castillo Ocejo, Radio Corporacion general director, gave statements on the attack.

Speculators are taking advantage of the suspension of public transportation. Prices are skyrocketing. The price for a pound of rice went up to three cordobas; a pound of rice rose to six and seven cordobas; a pound of sugar sells for three cordobas; plantain, one cordoba; a pound of cheese, 8.50 cordobas.

In the face of reduced blood reserves, the National Blood Bank of the Red Cross has urged blood donors to present themselves and donate blood. To this end, three mobile units have been established.

Taxi Cooperatives Join Strike

PA2209011293 Managua Radio Nicaragua Network in Spanish 0033 GMT 22 Sep 93

[Text] As of 1700 [2200 GMT], the (Osvaldo Martinez) Taxi Cooperative and the [words indistinct] Cooperative joined the general transport strike. The Matagalpa taxi

cooperatives have 73 units and have paralyzed transportation to the [words indistinct], Rio Blanco, [words indistinct], Matiguas, [words indistinct], and other municipalities. A number of people, who live and work in the area, were accepted in a [word indistinct] manner. [Words indistinct] collective transport for emergencies [words indistinct].

On the other hand, Captain [words indistinct], chief of police in Matagalpa Department, told Radio Nicaragua a few minutes ago that here they will not allow criminal disorders like those taking place in the capital city. The police chief said they are willing to repeal any alteration to the public order.

Police, Drivers Exchange Fire

PA2109230993 Paris AFP in Spanish 2249 GMT 21 Sep 93

[Text] Managua, 21 Sep (AFP)—The Nicaraguan police and a group of drivers exchanged fire in a shoot-out today, Tuesday, when the police tried to clear the highway that leads to the airport, located east of the capital, it was reported.

The shots, fired with AK-47's, mortars, and tear gas, began when the police tried to execute a "cleanup operation" to open the highway. Apparently some people have been injured, it was reported by journalists who got caught in the crossfire.

Police Ordered To Retake Area

PA2209001693 Managua Radio La Primerisima in Spanish 2305 GMT 21 Sep 93

[Report by Carlos Martinez, Abel Calero, and Leonel Laguna in Managua— live]

[Text] [Martinez] Shots are still being heard. Now they are heard on the northern highway, close to the street lights. We are close by and....

[Unidentified speaker, interrupting] We have warned the police not to attack us with weapons. They can fire tear gas canisters, but they should not use bullets. They have opened fire, however, with their weapons, and all hell has broken loose.

[Martinez] I believe this situation should be prevented. Every effort must be exerted to prevent further bloodshed. Now is not the time to say that people should arm themselves, because others are also well armed. This type of situation should be prevented. The government should instruct the police to cease fire and see if a settlement is reached without having to exchange fire.

[Calero] The police have just been given the order to retake the place at all costs. A policeman has just been injured, and he is about to be transferred, but he cannot be taken to Carlos Marx Hospital right now because there is a lot of rifle fire. We are in front of where the policemen are firing their weapons, and they must surge ahead. The policemen have opened fire, and some people have been injured.

[Laguna] There is something important to report. The little girls who were reported in critical condition after being shot, we talked with their relatives and they say they were not shot. We talked with their relatives, who report that the children only suffered the affects of the tear gas near the Portezuelos Street lights. Parents have instructed their children to remain under the beds and in safe places so that they are not hit by the AK-47 rifle fire. People, who are here are participating in the national strike against taxes, license plates, vehicle taxes, and other measures implemented by the government, which refuses to negotiate with those who are in control of the national stoppage.

[Calero] The situation has become more difficult in the sector where the artesian wells were located, because shots are being fired against the policemen. Shots are being fired at the policemen with AK-47 rifles and pistols and the police are firing back. A comrade has just fallen; no, he was just diving for cover. The situation is critical and the fighting has extended along the northern highway. It has almost reached the entrance to Carlos Marx Hospital.

[Martinez] We are still here at the street light of, what is the name? I have forgotten the name even though I have mentioned it so many times. Nevertheless, we are still here to report on the clash between the demonstrators and the National Police members, who have fallen back 200 or 300 meters along the northern highway.

[Laguna] We have a last minute report. We have a last minute report: The people, who seized the area around Portezuelo and Santa Rosa, report that Deputy Commander Caceres [first name not given] was shot, and it is expected that he will die. The information was given by one of the people who led all those who have gathered here. Perhaps personnel in our main studios can call the National Police commanders and confirm the information.

[Calero] Main studios, can you hear me?

[Unidentified announcer] Yes, Abel Calero.

[Calero] Try to send an ambulance right now to the northern drugstore, approximately 1 block from Carlos Marx Hospital, so it can take away a policeman who was beaten up and is unconscious. He managed to say he is a member of the Transit Department and he asked us to take him away. We cannot move from here, however, because we would be caught in the cross fire. An ambulance would certainly be allowed to pass so that he can be taken to Carlos Marx Hospital.

Woman Shot

PA2209022693 Panama City ACAN in Spanish 0101 GMT 22 Sep 93

[Excerpt] Managua, 21 Sep (ACAN-EFE)—A woman was the second victim of today's serious confrontation between groups of the transportation sector on strike and the police, whose commander died during the clash.

A local radio station reported that the woman, a housewife who lived in Santa Rosa neighborhood in Managua, was hit by a stray bullet while in her home during the serious clashes between the strikers and the riot police. [passage omitted]

Police, Strikers Clash Again

PA2209040393 Managua Radio Nicaragua Network in Spanish 0316 GMT 22 Sep 93

[Text] We have a report from a radio listener, who has witnessed violent outbreaks on the northern highway, specifically in [word indistinct]. Another radio listener has reported that the streets of Managua are deserted; therefore, we want to advise all those who are driving not to circulate to avoid any problems. We are reporting that on the northern road the police again have clashed with those who are on strike, putting up barricades on the northern highway, specifically in [word indistinct]. Attention radio listeners: Those who are driving please do not circulate to avoid problems or an incident.

Government Suspends Vehicle Tax Temporarily

PA2209042393 Managua Radio Nicaragua Network in Spanish 0344 GMT 22 Sep 93

[Text] Government Minister Alfredo Mendieta, during a telephone conversation with Channel 6 Television tonight, said that the Nicaraguan Government, in light of today's Legislative Assembly's request for the temporary suspension of the application of Decree 6-93 regarding vehicle ownership, has decided to temporarily suspend the application of the tax on vehicle ownership until an agreement is reached by the conflicting parties, that is, the transportation workers.

This is good news for all the transportation workers nationwide. The government has decided to suspend application of the tax on vehicle ownership. The government calls on the transportation workers, the National Transportation Commission, the National Transportation Chamber, the Federation of Collective Transportation, and the Federation of Cargo Transportation to immediately meet with government authorities to reach an agreement. As part of this offer, the government has decided to suspend the application of Decree 6-93 regarding vehicle ownership.

Transportation Chamber Communique on Agreement

PA2109194593 Managua Radio Sandino in Spanish 1830 GMT 21 Sep 93

[Press communique issued by the Nicaraguan Chamber of Transportation in Managua on 21 September; from the "Radio News" newscast]

[Text] The Executive Committee of the Nicaraguan Chamber of Transportation, Canitran, member of the autonomous Nicaraguan Workers Federation, CTN, and legally authorized under resolution No. 4-90 of the National Assembly, hereby informs the people that it rejects and strongly condemns that the name of its organization be usurped by persons who are negotiating with the government authorities.

The high-ranking authorities of the Construction and Transportation Ministry, who are participating in the negotiations with the transportation workers, are aware of the existence of our chamber and have met with our executive committee on previous occasions.

In view of the problems with the transportation workers and owners of vehicles over the vehicle possession taxes, payment of license plates, and hikes in fuel prices, the Canitran wishes to voice its disagreement with this decision, inasmuch as these are new attacks on the proverty-stricken economy of the people, who are the ones who end up paying for the taxes and increased prices.

In addition, Canitran condemns the acts of violence that weaken the incipient democratic process of Nicaragua. Therefore, we urge the government to begin serious negotiations with the legitimate representatives of the transportation workers in order to prevent greater sacrifices for the people.

We emphatically urge the government to solve its political problems with the political parties so that the people will not have to suffer the social and economic consequences of its errors. The people are being punished with greater taxes. The people cannot and should not replace international assistance.

Issued in the city of Managua on 21 September 1993.

[Signed] Pedro Joaquin Valles, president; Gerardo Ferrey Marin, vice president; Antonio (Jarrin Perry), secretary general.

Godoy: Strike Puts Government 'Up Against the Wall'

PA2209010593 Mexico City NOTIMEX in Spanish 2339 GMT 21 Sep 93

[Text] Managua, 21 Sep (NOTIMEX)—Today, Vice President Virgilio Godoy said the transportation strike has put the government "up against the wall," and it will have to repeal the new tax bill that triggered the protests

in order to solve the conflict. He said that the new vehicle tax, which is one of the issues that generated the crisis, "is unreasonable and inadequate," due to the poor state of public transportation vehicles.

Godoy told Radio Catolica "that the pressure from vehicle owners and the public in general for the government to eliminate the tax could force the government to retreat and wait for a better time to apply the impost.

The vice president criticized the acts of violence and the construction of barricades that have impaired free transit in Managua. He blamed sectors of the Sandinist National Liberation Front (FSLN) for the violence.

The general strike, according to Godoy, has surpassed the civic protest stage and involved the Nicaraguan capital in a sort of "armed uprising," given the decree of violence and the lack of respect for the population's freedom of movement and human rights.

The paralyzation of transportation services, both cargo and passengers, began on 23 September, and there is no solution in sight. The National Transportation Commission, which comprises 300 cooperatives, is demanding the new vehicle tax be repealed, the reduction in fuel prices, and the creation of a new cooperative law.

Last week the government reduced the public transportation vehicle ownership tax from $450 to $56, but this did not fill the National Transportation Commission's demands.

Daniel Ortega's Statement

PA2209021593 Managua Radio Ya in Spanish 2359 GMT 21 Sep 93

[Statement by Daniel Ortega, secretary general of the Sandinist National Liberation Front; place not given—live relay]

[Text] Nicaraguan brothers: The bloody events that have accompanied the drivers' protests in this general strike should invite everyone to ponder the situation. These bloody events led to the deaths of Nicaraguan brothers today, including Sandinist brother Saul Alvarez, founding member of the Government Ministry, Sandinist combatant, and member of late of the National Police. We must repudiate and condemn these criminal events, which have a proper name.

The criminals, the murderers are the Nicaraguan Government. The criminals, the murderers are Violeta Chamorro and Antonio Lacayo, who ordered the police to repress the strikers the way they did. Because the road had to be cleared for the president to drive by after returning from Guatemala, the blood of Nicaraguan brothers is being spilled on the northern highway.

I would like to ask all of the National Police members not to become instruments of repression of this murderous government of Mrs. Chamorro and Lacayo. This is the typical stand of those who would stand and watch the people die, who in truth are enjoying the death of Nicaraguan citizens and Sandinists, who like to see the Sandinists kill each other. We have said at other times that if the Sandinists have to take up arms it will not be to kill one another; in other words, it will not be to exchange shots with the police but against those who attack the people, who give instructions to attack and murder the people. We want to express our stand clearly, condemning these criminal events which, we repeat, have proper names. It is the murderous government of Chamorro and Lacayo that has provoked the deaths of Nicaraguan brothers.

Alvarez' life was lost due to the stubborn and repressive government that has refused dialogue with the leaders of this people's struggle of national interest, the National Drivers' Committee, and this has extended the conflict because, while the government meets with people who are not the strike leaders, while the government tries to demobilize the people from the streets, people, who are fighting the measures that have provoked hunger, unemployment, and recession, while the government sends the police to repress the people, we now face events bloodier than yesterday's, when several people were also shot.

We want to express our solidarity with our Sandinist brothers of the National Police. We would like to express our condolences to the family of brother Alvarez. We are calling on the Sandinists, who are protesting in the streets, to not fall for armed confrontation with the police, because the enemy is one, the economic policy of this murderous government. The enemy is one, the repressive policy of this murderous government, which wants us Sandinists to kill one another. We are calling on the police, our brothers, to not be an instrument of this criminal policy and to take up a patriotic and revolutionary stand so that there will not be additional violence between the protesters and the police. We must avoid greater bloodshed and confrontation.

We must demand that the government talk, negotiate, and reach immediate agreements with the National Drivers' Committee, which is the only one (?controled) by the transport people themselves, and is backed by the general public, so that solutions can be found for the problems brought about by the government measures against the Nicaraguan people. These economic measures, which the government has been enforcing to the detriment of the poorest sectors, are the root of the violence, the ones that provoke violence, because they provoke hunger and unemployment. The government is trying to use the police as an instrument of repression against workers.

We are calling on the brother workers of the various popular sectors, who are at the resistance spots, to not confront the police with arms, but we also call the police not to fire on the workers. The government has a tremendous responsibility toward the Nicaraguan people and must find a solution to this crisis before the country gets immersed in a general bloodbath. It is on the head of

this murderous government that all of the blood spilled on the streets of Managua will fall.

[Unidentified reporter] Commander Ortega, a few minutes ago, when it had already been reported that lives had been lost as the result of this situation, that Commander Alvarez Ramirez had just died, Government Minister Alfredo Mendieta's reply was to announce that the police vigilance would be increased. What do you think about this?

[Ortega] The government and Minister Mendieta should act carefully, because they are dealing with a people not willing to be shot at. The problems at hand are not to be solved with gunfire. Minister Mendieta should be aware that with orders like that he will not contribute and is not contributing to the people's acting calmly and peacefully, because the government has threatened the people clearly. He is provoking the people's just wrath and rebellion. I would like to demand that the government act quickly by talking, not by giving instructions to fire on the people. The government should tell the police to refrain from acting the way they have been acting, so that incidents like the ones we are lamenting, the death of brother Alvarez, do not repeat themselves.

National Assembly Communique on Strike

PA2109195593 Managua Radio Sandino in Spanish 1830 GMT 21 Sep 93

[Communique issued by the National Assembly Board of Directors in Managua on 21 September; from the "Radio News" newscast]

[Text] In light of grave recent incidents [words indistinct] with the transportation problem, the Board of Directors of the Nicaraguan National Assembly, in exercising its authority has issued the following statement:

1. We urge the government of the Republic and all the sectors involved to seek a just national agreement on taxes.

2. We recommend that the government temporarily suspend the debates on Article 6-93 on vehicle ownership until a national agreement is reached on the tax issue.

3. We urge the government of the Republic, the transportation workers, and other sectors involved to begin a dialogue in order to seek a negotiated solution to the current crisis.

4. We urge the transportation workers on strike to [words indistinct] the civic framework of respect to the rights of Nicaraguans and to abstain from using violence that could endanger the lives and security of persons and properties.

Issued at the hall of sessions of the Board of Directors of the National Assembly on 21 September 1993.

Transport Commission Seeks Talk With President

PA2209044093 Managua Radio Nicaragua Network in Spanish 0330 GMT 22 Sep 93

[Report by Adolfo Patran Arancibia, director of Radio Nicaragua, in Managua]

[Text] A meeting of the so-called National Transport Commission, or rather, the Parrales Vallejos Workers Union, which has now become a cooperative and which owns buses, ended a few minutes ago.

A few minutes ago, they issued an official communique in which they accuse the Nicaraguan Government of being the perpetrator of the death of Commander Saul Alvarez this afternoon and of the lady, whose name I do not have right now. The National Transport Commission is also asking for an immediate and direct negotiation with President of the Republic Violeta Barrios de Chamorro.

We want to remind our audience that President Chamorro did not return tonight to the national territory. She is in Guatemala City and will only return tomorrow morning to our country.

The National Transport Commission, which this afternoon rejected the invitation made by Government Minister Alfredo Mendieta to meet, discuss, and immediately end this tendentious strike, which became a rebellion in the capital city, also reaffirms their refusal to attend any talks with the ministers of the Nicaraguan Government and, on the contrary, reiterated in this communique that they will maintain their intransigent positions of strike until they are attended directly by President of the Republic Dona Violeta Barrios de Chamorro.

Mendieta Makes Statement, Announces Deputy Death

PA2209004393 Managua Radio Nicaragua Network in Spanish 2320 GMT 21 Sep 93

[Statement by Government Minister Alfredo Mendieta 21 September; place not given—recorded]

[Text] In a confrontation near La Fanita, where approximately 300 people attacked the police with mortars and rifles, Deputy Commander Saul Alvarez was shot in the side. In addition, a policeman was captured and an unidentified citizen was wounded.

We would like to make clear that the National Police never attacked these people and that, on the contrary, the police are being attacked in various areas of the capital, where the strikers have gathered. We are appealing to all the organizations involved in the conflict to abandon this position. Additional police are being rallied to meet this situation.

I would like to report that today I sent a personal message to the members of the National Transport Commission. This is the text of the letter:

Members of the National Transport Commission, Managua, Nicaragua, Gentlemen: In the name of the Government of the Republic of Nicaragua, I hereby reiterate an invitation to you to join the negotiations to debate the transport sector's problem so we can all find general solutions. In a meeting that opened yesterday and closed after midnight with the directors of Sitrapanic [Nicaraguan Transport Union], [words indistinct], and the National Chamber of Transport, we studied the situation and signed agreements, subject to consultation, that were regarded as a positive answer to the union's problems. The agreements are an indication of the parties' willingness to find a way out, despite the disagreements. I am hereby taking the opportunity to ask you to tell your fellow members that the struggle can be strictly civic and that dialogue can be the instrument par excellence, because the use of force and violence will not create the climate of social, economic, and political stability that the country requires.

Yours truly, Alfredo Mendieta, minister of the government.

We hope these gentlemen will stop making excuses for not joining the talks despite the several invitations the government has extended them, invitations that have been turned down. We hope we have again made sufficiently clear the government's invitation to abide by the initial agreements signed, which are an important answer to the transport sector's issue.

Again, I would like to report on the death of Deputy Commander Alvarez. We expect to give more details of the events.

Men Attack Radio Corporacion Transmitter

PA2109150393 Panama City ACAN in Spanish 1416 GMT 21 Sep 93

[Text] Managua, 21 Sep (ACAN-EFE)—The transmitter of Managua radio station Radio Corporacion was destroyed for the second time in a month by a group of unidentified armed men, sources at the anti-Sandinist radio station reported today.

Last night, unidentified men went to the radio station's installations, located 20 km northwest of Managua, and tied up the security guard's hands and feet and threw him on the ground. Later, these men placed an explosive charge on the transmitter, which, following the explosion, put the radio station off the air for an undetermined period of time.

The attack took place shortly after an anonymous telephone call was received, threatening to destroy the privately owned radio station. The threat was carried out that very night. Radio Corporacion sources stated this is the eighth destructive attack on the radio station, which is critical of the Violeta Chamorro government.

In late August, the radio station's studios were destroyed by hooded armed men at the same time that a Sandinist commando unit stormed the headquarters of the National Opposition Union and held hostage the leaders of that political coalition made up of 10 political parties.

FROC Claims Right to Act Against 'Rightists'

PA2109135993 Managua Radio Corporacion in Spanish 1030 GMT 20 Sep 93

[From "The Awakening" newscast]

[Text] A communique by the Peasant-Worker Revolutionary Front [FROG] has been inexplicably posted on all the houses in Matagalpa. The communique states that the group members are claiming the right to take military actions if rightist forces, the recalcitrant and turncoat forces, imperil the personal safety of the relatives of the people who comprise the combined recompas forces, the Leftist Punitive Forces, or any Sandinist revolutionaries, such as the mothers of heroes and martyrs, war handicapped, peasants, workers, health workers, and professionals and intellectuals who are aware of our struggle.

No one can tell what struggle they mean. They are also demanding the prompt disbandment and immediate disarmament of the 3-80 Northern Front, known as the recontras. In view of this situation, the people who have read the communique are appealing directly to Lieutenant Colonel Ramon Ernesto Sosa, Special Disarmament Brigade commander, to explain where are all the weapons seized in the northern zone are now, and, specifically, where have the weapons seized in different caches all over the country been taken.

Panama

Endara Interviewed on Constituent Assembly

PA2009194993 Panama City Telemetro Television Network in Spanish 1800 GMT 18 Sep 93

[Interview with President Guillermo Endara by Octavio Cogley at the Palace of Herons in Panama City; date not given; from the "Loud and Clear" program—recorded]

[Excerpts] We will talk today about current, polemic issues. Certain sectors have proposed a constituent assembly. Dr. Miguel Antonio Bernal of the National Front for a Constituent Assembly [Freno] told us you are convinced that the establishment of a constituent assembly is necessary. In fact, he said you are very interested in this topic, because you invited Freno to the Presidency. Is this true?

[Endara] It is true; it is true. The constituent assembly issue is very important. I have given this issue a lot of

thought since the referendum, because, like many political analysts, I think the referendum reflected the people's rejection of the current Constitution. It showed that they want a constitution engendered by the democratic regime. There have been many discussions on this topic, and I have given it a lot of thought as well.

I must reveal some things that have been kept from the public, not kept secret, but discreetly kept from the public. I think now is the time to let it out for discussion. There are three proposals with respect to the constituent assembly. The first came from an honorable legislator of the Christian Democratic Party [PDC]. He told me this position is maintained not only by PDC legislators but that it is also shared by other legislators. He proposed modifying the current Constitution at this time to constitutionally allow a constituent assembly after September 1994 under the new government.

[Cogley] In other words, the PDC supports a constituent assembly through reforms that would be promoted at the Legislative Assembly first?

[Endara] Exactly. This would be promoted at this legislative session and ratified on 1 September 1994 at the next session. This is the traditional way of amending the Constitution. The key point of this proposal, I do not want to say this PDC proposal but, rather, this proposal of PDC legislators and, based on what this honorable legislator told me, of legislators from other parties, is that the next assembly, which will be installed on 1 September 1994 following the approval of amendments to the Constitution permitting a constituent assembly, will become a constituent assembly. The Legislative Assembly would, at a given time, become a constituent assembly and start to reform the entire Constitution.

[Cogley] Would this not mean the elections would be annulled?

[Endara] No, quite the opposite. The position of this honorable legislator is that this constituent assembly will in no way alter the term or duties of the president, duties of the assembly, duties of the Supreme Court, or anything like that. The Legislative Assembly would simply become a constituent assembly.

In my opinion, this is not advisable. Why? One of the most serious and delicate duties of a constituent assembly is to distribute powers among the various state branches, especially among the executive and legislative branches. If the legislative branch were to become a constituent assembly, it is normal and logical that it would keep the largest share of power for itself.

[Cogley] Mr. President, it has been said that you fear being taken to court. In fact, Minister Mario Galindo, in commenting on the constituent assembly, has said he agrees that you risk standing trial if you promote a constituent assembly.

[Endara] Not in this case. I will explain this later when I address the Freno proposal. This would not happen because this action would be completely constitutional, because we would be introducing a reform to allow the Legislative Assembly to become a constituent assembly. This would be completely constitutional because it would be done through a reform. This involves no risk whatsoever. When I discuss the third proposal, I will review the risks that worry Minister Galindo. Nevertheless, I insist this first proposal does not inspire me, and the honorable legislator who proposed it knows my position.

[Cogley] Who is this legislator?

[Endara] Well, I do not think it is a secret that he is Jose Antonio Sossa.

[Cogley] Is that a PDC position?

[Endara] That is what I understand. I understand this because there have been other talks, talks in which I have not been involved, in which PDC President Ricardo Arias Calderon, in one way or another, echoed Jose Antonio Sossa's position. I would not dare say this is a PDC position because this party has not officially announced such a position. If this is its position, it should say so. Nevertheless, I understand this is its position.

[Cogley] Does this not reflect a possible fear that government parties, and also the PDC, could to a certain extent be defeated in the elections and fail to gain enough seats?

[Endara] Actually, this is not applicable here because the Legislative Assembly that would become a constituent assembly would be elected on 8 May 1994. Therefore, the elections will determine which group will have more or less legislators.

[Cogley] Will the government run such a risk, a risk that might allow the opposition to win more seats than the government?

[Endara] That is a risk faced in every election. What is important to point out, however, is that I do not support this first proposal. I do not support it because a state branch would be making decisions on the duties of several branches.

[Cogley] Specifically, which proposal do you support?

[Endara] The second proposal, which is my proposal. I proposed it, but I have not ruled out discussion. It is not definite because we could change opinions. The second proposal is that the current Constitution be reformed by two legislatures; that is, the current assembly would approved it first and the Legislative Assembly, which will be elected in 1994, would ratify it.

Once the reforms have been accepted and become part of our Constitution, we would call a parallel constituent assembly. In other words, the executive, legislative, and judicial branches would continue to operate without any interference from any quarter. The constituent assembly would operate completely parallel to the Legislative

Assembly. It would be created exclusively, and I mean exclusively, to draft a new constitution. This formula would imply this constituent assembly would also respect deadlines.

[Cogley] In other words, this constituent assembly would be chosen after the 1994 elections and not the opposite as some sectors have proposed?

[Endara] This is correct. The third proposal calls for the opposite, which I will explain later. My proposal calls for a special constituent assembly election. We think it should not have a large membership. It could be made up of about 30-40 members.

[Cogley] How would they be chosen?

[Endara] They would be elected by the people in each province.

[Cogley] Through a vote?

[Endara] Yes, the constituent assembly must be elected by the people, otherwise, it would not be a constituent assembly. There would be provincial and national candidates.

[Cogley] Would there be new elections to elect constituent assembly members in 1994?

[Endara] In 1994 or early 1995. The next government should determine the right time to elect a parallel constituent assembly.

[Cogley] Why a constituent assembly?

[Endara] The referendum of November 1992 showed that the people in general do not believe in the current Constitution. I was willing to live with it, but the people apparently are not. Therefore, the idea that we need a new constitution has emerged. This is the reason for a constituent assembly. I think we must discuss this issue extensively and many people must participate in the talks. Those who disagree with a constituent assembly must say so. This is a public matter. Proposals should be discussed.

Returning to my position, the second proposal calls for constitutional reform that would make it constitutional to establish a parallel constituent assembly in late 1994 or early 1995, as determined by the next government.

[Cogley] Would this constituent assembly work parallel to the legislative assembly, as is normal?

[Endara] As normal. The parallel constituent assembly would not interfere with the Legislative Assembly. It would not be allowed to interfere, and it would not interfere with the executive or judicial branches. Its only task would be to draft a new constitution, and it would be given a set term, three months, six months, whatever is decided. After the term is up, it would then deliver the new constitution, its work would end, and then its members would go back home.

[Cogley] These constituent assemblymen would earn normal salaries?

[Endara] This is something that could be decided, and should be decided, in 1994 or 1995.

[Cogley] Indeed, there is concern because, when elections come up, the Legislative Assembly is thinking about increasing the number of legislators.

[Endara] On this point, it is worth mentioning that I understand there are legislators who are worried about this and are thinking of presenting a motion to maintain the current number of legislators, but this is another topic that I am really not familiar with.

[Cogley] But there is an agreement to...

[Endara, interrupting] No, there is no agreement. The problem is that the way the current Constitution reads, the number of legislators will increase. If my memory does not fail me, as it often does, the current Constitution states there should be one legislator for every 40,000 inhabitants. The 1990 census will prompt an increase in the number of legislators. This is not because of any special law, but because the current Constitution stipulates this. There are people who are concerned with this and wish to do away with these additional legislators.

Anyway, returning to the original topic, this second proposal was made by me as a counterproposal to the original proposal forwarded by those legislators headed by Jose Antonio Sossa. Opinions have been exchanged over these two proposals. In fact, preliminary drafts have already been made on how this new constitution will read. These are strictly rough drafts. It is during this stage of the two proposals that, during a trip to El Salvador, I met with the president of the National Bar Association on an airplane. He complained that I had offered to make an appointment with Freno and that I had put it off. I promised him that I would keep the appointment. Sure enough, when I returned from my trip to El Salvador I granted Freno an appointment.

The Freno gentlemen, headed by Miguel Antonio Bernal, came here along with all of the other distinguished Freno leaders. They presented the third proposal, the third phase of this debate, which has been kept relatively discreet. Their position is that we should draft a constitution via a decree issued by me, that I summon a constituent assembly now and that on 8 May, we take advantage of the 8 May elections to elect the constituent assemblymen. This constituent assembly would work these three months between 1 June 1994 to 1 September 1994, when the new government steps in, drafting a new constitution. This new Constitution would be delivered to the new president and the new Legislative Assembly and would go into effect on 1 September 1994. This is the Freno position.

I must clarify that I immediately told the Freno representatives that the Constitution does not allow me to summon a constituent assembly. They reminded me

what President Ricardo Adolfo de la Guardia did in 1945 when he summoned a constituent assembly. It was a simple executive decree, which I believe was also signed by his ministers. Freno showed me Ricardo Adolfo de la Guardia's decree, which said that all political parties had been requesting this and he granted the request.

Now, in my particular case I cannot say there is political unanimity, or that all political parties want a constituent assembly. I would be jumping into a void if I summoned or decreed a constituent assembly. I believe most legislators, I hope the great majority; in fact, I hope all of them, agree on a constituent assembly. I must also say the public should have its say, a very clear and decided say, for me to do this. If I do this without these three requirements, that is, agreement among all parties, a healthy majority of legislators, and favorable public opinion, I would be jumping into a void. Then, the danger would arise, as Minister Galindo and others have discerningly pointed out, that I would risk being taken to court by the Legislative Assembly. Why? Because I would be overstepping my authority. The Legislative Assembly would then have every right to take me to trial and say look, Mr. President, you have overstepped your authority and you are hereby impeached. Not because I am very attached to this job, the truth is that I am counting down the days until 1 September when I will hand over to the new president...

[Cogley, interrupting] Are you looking for a way to step down as president and leave the post to Vice President Billy Ford?

[Endara] I do not want to leave the presidency because it is a mandate handed to me the people on 8 May 1989.

[Cogley] Not by any means, either due to travel for more than 11 days, or by your absence?

[Endara] Normally my trips take less than 10 days; I have no plans to travel for more than 11 days. In fact, I believe Vice President Ford has hopes of his own, and I would be doing him a disfavor by forcing him to assume the presidency. I do not want to place a friend like Billy Ford in a difficult position. I do not foresee any need to have to ask Billy Ford to assume the presidency. First, I do not think he wants to; second, I do not plan to put him in a difficult position because he is my friend.

[Cogley] Mr. President, you wanted to clarify something else regarding the constituent assembly. Will a national debate be called in the event a constituent assembly is decided on?

[Endara] Yes, indeed. I want to clarify that these talks or ideas about a constituent assembly should in no way prevent the national assembly from considering the country's priority project: to prepare to take over operations of the Panama Canal on the last day of this century. We cannot afford to lose the opportunity we now have to amend the existing Constitution to include a special title on the Panama Canal. The Panama Canal requires amendments to the Constitution by the year 2000 for its administration because we will not be able to administer the canal under the existing Constitution. Whatever happens with the constituent assembly, I believe, I insist, that we must consider the new title dealing with the Panama Canal. This draft resolution has been presented to the legislative assembly; they must give this the highest priority.

Going back to the topic of the constituent assembly, it requires a national debate. This is something that neither I nor the legislative assembly nor a political party or parties can decide on our own. This is something that public opinion needs to decide. All Panamanian citizens must have a say on this topic through various forums, on television, in the newspapers, over the radio, in public parks, in talks that take place in various unions. It is important that this topic be debated nationally so the president, legislators, and political parties can all learn what the people want. A national debate on this topic is very important. [passage omitted]

[Cogley] Opposition candidate Dr. Ernesto Perez Balladares has said that the country has become ungovernable and that the government's real intention is to delay the elections because the government could be defeated.

[Endara] No, I will begin with this last part: Nothing, absolutely nothing will stop the 8 May 1994 elections. I will not remain in office even a minute after 1 September 1994.

[Cogley] The job is very tiring?

[Endara] Not only because it is tiring and because I want to step down, but because I am aware of what it takes to be a democratic president. I cannot, under any circumstance, accept to stay after 1 September 1994. I have the obligation to turn power over on 1 September 1994 to whoever wins the 8 May elections. Nothing can stop the 8 May elections, and nothing can stop me from handing over power on 1 September 1994.

[Cogley] What about the strikes and all the things taking place in the country?

[Endara] I believe that it is very probable. I have received many reports, assertions, and opinions, that there is a political element behind all these attempts to create problems for the government, for political reasons, to make us lose votes. For instance, one of the top teachers' union leaders has said that we should not even dream of getting their votes, either for my party or for the government parties. The political reason behind all this is to create problems and take away votes from us. I am free; perhaps I am the only person in Panama who cannot run for any elected post on 8 May.

[Cogley] Then the situation does not worry you?

[Endara] Personally it does not affect me. As president it affects me because it creates a totally unfair and harmful situation in the country. I believe that the teachers' strike is one of the most damaging things that can take place. It

hurts me to see the suffering of the teachers; it hurts me to see the parents suffer, and it hurts me to see how a new generation of students is being affected. It hurts me to see public officials, such as the university professors, having problems. I graduated from Panama University, and it hurts me to see my university, my alma mater, have this problem. It hurts me a lot.

This does not mean, however, that they will make me yield and do whatever they say. The university does not have a problem with me. Both the university's and the National Institute of Telecommunications' [Intel] problems are problems with the comptroller general. I am hopeful.... [pauses] Despite the fact that these are the comptroller general's problems, I have been speaking with him every day.

[Cogley] Perez Balladares has said that all the problems with the destabilization of institutions, including the topic of the constituent assembly, all lead precisely to the office of Comptroller General Carles.

[Endara, chuckling] It is very easy to attack the comptroller because Comptroller Carles undoubtedly has a very unique personality. I must say I sleep well at night knowing Comptroller Carles is on the job. It causes problems for me. A significant number of problems that arrive at my desk are related to problems with the Comptroller General's Office, and I try to resolve them by talking with him. I resolve some problems; others I cannot resolve because the comptroller has the way his office should operate very clear in his mind. Despite unending complaints by public officers, he has enforced fiscal order. Previously there was fiscal anarchy. The comptroller, with all his faults, I believe he admits to them, has placed public spending and public finances in order, which was not the case in the past. It creates problems, many problems; I repeat, a significant amount of the problems I have to attend to are problems related to the Comptroller General's Office. I try, however, to resolve them with him, and I must say that in the years we have worked together we have done so very well. We have had our disagreements, this is sort of a news tip because I have never admitted this....

[Cogley, interrupting] A few small fights.

[Endara] Yes, and friction, and so and on. The bottom line is that we both accepted what my position is as president of the Republic and what his position is as comptroller general. He has his duties. He must defend the National Treasury and object to whatever he believes has to be objected to. I, as president, can only try to talk to him and try to find solutions to the problems, the way I have tried to find a solution to the Intel problem, the university problem, and other problems the comptroller general has had with certain public officials.

[Cogley] Mr. President, there is also a topic that has citizens worried, that is the incidents with the Institutional Protection Service, SPI, an organization created to handle presidential security. The people are worried, according to what we have heard, that the SPI could become a political paramilitary organization allied to the government.

[Endara] There is no risk that this could happen. The SPI was founded in line with the doctrines and ideas of Arnulfo Arias. He believed that the presidency should not have been under the guard of the then National Guard or National Police, but that the presidency should be guarded by a corps under the command of the presidency, with no access to....

[Cogley, interrupting] But that corps does not answer to the party?

[Endara] No, not at all.

[Cogley] [SPI Director Carlos] Toti Bares is not a member of the Arnulfist Party?

[Endara] No, he is not.

[Cogley] There is no political affiliation?

[Endara] There is no political affiliation. At one time Toti Bares was a party member, but since he became SPI director he stopped being an Arnulfist in order to allow him to direct this public force organization, because the SPI is a public force organization. The SPI was formed not for political reasons but for professional reasons. The SPI's main task is to guard the Presidential Palace and protect the president and people chosen by the president.

[Cogley] Mr. President, there are certain contradictions. For example, the SPI was tasked with guarding the Spadafora murder trial, and lately the SPI has been involved in certain violent actions. For example, an SPI member murdered someone in the western area of Panama Province with 18 shots. Recently Mr. Toti Bares got into a fight with two journalists, whom he attacked, precisely CRITICA LIBRE newspaper reporters. What is your opinion on this?

[Endara] I believe these three cases should be analyzed separately because they are different. The first case, why the SPI guarded those charged in the Spadafora murder case, was at the written request of the attorney general. He considered that because there was word of a family relationship between police members stationed in Chiriqui Province and some of those under arrest, he wanted to request that I assign, as SPI chief, SPI personnel to guard not only those under arrest, but provide security to the court or the tribunal.

[Cogley] The police cannot be trusted?

[Endara] There were reasons not to trust certain members of the police. The attorney general didn't want to take any chances. I forget his exact words, but this was the main thrust of his letter. I must add that Dr. Winston Spadafora also asked that I agree to this petition because there was more trust in the SPI. I opted to agree with this specific request even though these are not specifically SPI tasks; nevertheless, the SPI must provide security for

people or places when I order it to. If, for example, you at a given moment become a very important person for the Panamanian State and you are in danger, I could ask the SPI to please protect Mr. Cogley.

[Cogley] Has all this been legally established?

[Endara] All has been legally established, yes sir. Then I, in accordance with the law, asked the SPI to provide this service. I must say that I am very pleased with the service rendered. There was security at all times, both for those under arrest and other people in the court. I must add that as the SPI did not have enough personnel I asked them to coordinate their work with the police, with the National Air Service [SAN], and, I am not sure, but I believe with the National Maritime Service [SMN] as well. They worked in coordination and a great service was rendered to the country by the SPI, the police, and SAN, by ensuring that this trial was held safely and that those under arrest were safe. A good job was done.

[Cogley] Mr. President, what about the other two cases....

[Endara, interrupting] The murder case is not an SPI case; it is the case of a SPI member. You know that any institution can have people who make mistakes or even commit crimes. This does not mean that the institution is to be blamed. Within Channel 13, there could be an incident involving a fellow worker of yours who could do something crazy like this. Obviously this is a very regrettable case of passion. Obviously Channel 13 cannot be blamed; otherwise people would say: look what kind of people work at Channel 13.

[Cogley] These are fortuitous cases.

[Endara] Fortuitous cases. The man was on vacation; he has nothing to do with the SPI, and it was not an SPI weapon, it was his own gun. His motives, which were apparently passionate, in no way justifies the act. He will be properly punished by the appropriate authorities. The SPI has nothing to do with this. The action by SPI Director Bares was regrettable. I know the two reporters personally; they are good reporters and good friends of the presidency. I believe Bares' reaction was (?justifiable), but the important thing is that Bares himself admitted his mistake and was honest enough to go to the publishing house and publicly apologize by saying that what he had done was wrong. I deplore that Toti Bares attacked these two reporters but commend him for apologizing. I believe it is important to stress this.

[Cogley] Many thanks, Mr. President Guillermo Endara Galimany for your participation in this program.

Argentina

Menem Says 'No Pressure' on Convertibility

PY2209002693 Buenos Aires BUENOS AIRES HERALD in English 21 Sep 93 p 5

[Text] San Carlos de Bariloche (DYN)—While the Central Bank sold 110 million dollars yesterday to maintain the exchange rate, President Carlos Menem said his government feels no pressure concerning convertibility.

"We're going to continue strengthening the exchange rate" between now and the 3 October elections, Menem told those gathered at a finance executives convention in this Andean resort town.

The Central Bank has sold some 337.9 million dollars so far in September. Since the latest run on U.S. currency began August 24, the bank has pulled 486.3 million dollars out of its coffers to maintain one-to-one parity with the peso.

"There will not be a devaluation," Menem said, claiming that such action "would only benefit a small group of exporters."

The President also lashed out against protectionism by industrialized nations. He said "it's really easy to be a farmer in the United States or the European Community where they have subsidies of 300 million dollars a year."

Before an audience of some 200 foreign and local executives, Menem said, "for decades they have directed developing countries toward open economies... The students have done their homework and now we are waiting for the teachers to do theirs."

Later, at a lunch at the Llao-Llao hotel Menem asked businessmen to help in the battle to bring down costs in Argentina so that the country can compete with the rest of the world, incorporating science and technology in its industries.

Menem Views Labor, Social Security Reform Bills

PY2109233293 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1118 GMT 21 Sep 93

[Text] San Carlos de Bariloche, 21 Sep (NA)—President Carlos Menem has stressed: "It is essential to resist the temptation of protectionism." He expressed his hope that Congress will approve this week, or by the end of the month at the latest, the bills that seek to reform the social security and labor systems.

Menem noted that the social security reform will allow "a quick capitalization directed toward the field of production and labor."

Concerning the labor code changes, Menem said they represent "a pending subject" within the economy.

Speaking at the opening ceremony of the 24th World Congress of Finances Executives in Bariloche, Menem yesterday stressed that the government will continue to implement policies involving "the deregulation of the entire economic structure."

Menem added: "We will lighten everything concerning the national public administration," and expressed his hopes that the provinces and municipalities "will follow suit."

Menem emphasized: "One of the government's top priorities is to make politics fit into an economic globalization framework."

Menem noted that, to advance this globalization policy, it is "essential to resist the temptation of protectionism."

He slowly repeated this idea because "for decades, we, the emergent or developing nations, have been asked to transfer or translate political liberties to the economic area."

Menem regretfully noted that, despite this claim, it can now be seen that "the protected, subsidized economies stem from those who were our teachers on this subject."

Addressing a large audience of Argentine and foreign financiers and bankers, the president added: "We, the students, have done our homework well and I hope that the teachers will now become concerned and will begin, as they should, their homework so that we may compete with possibilities of success."

Menem stressed that this is the current challenge because "protected, subsidized economies lead us nowhere."

Menem emphasized that globalization is not possible without "the full operation of the state branches."

He noted: "A state in which the leaders, those elected by the people, discharge their duties for which they were elected: health, education, justice, and security. The rest is for the private sector."

The president said that the "productive revolution" implemented by his administration is the result of "a cultural revolution," which is at the root of any change.

Menem quoted Domingo Faustino Sarmiento [former president and renown educator], pointing out: "All problems involve educational problems." He noted that, for education to become fully effective in any nation of the world, "liberty, talent, and also capital are required."

The president added: "We understand that with the most generous receptivity and contribution of all Argentines, even our political opponents, there may be dissent on ideas but not on ideals, and dissent on economic formulas but not on the imperative need to repair the economy."

Menem emphasized that Argentina now is "a stabilized country" where "a convertibility law, which is complied with, is in force."

He remembered that when he was inaugurated Argentina had "$30 million in reserves;" currently there are "$15 billion in gold and foreign currencies."

Menem noted: "Not one single peso is circulating in the Argentine Republic without the backing of reserves in the Central Bank."

He said: "This is why investments are made in Argentina. This is the reason for trustworthiness and credibility."

In conclusion, Menem told the entrepreneurs that "legal security" prevails in the country and confirmed that "all types of guarantees exist for those coming from abroad to enjoy democracy and liberty."

Bolivia

Officials, Coca Growers Discuss Alternative Development

PY2209002493 La Paz PRESENCIA in Spanish 12 Sep 93 p 7

[Article by Fernando Valdivia D.]

[Text] Coca producing peasants will actively engage in alternative development planning and implementation within the framework of an aggressive government policy that provides for strong action against trafficking, seeking to eradicate it.

The government of President Gonzalo Sanchez de Lozada has given peasants an active role in this task, which political observers regard as "the most difficult" task to be undertaken by the current administration, which took power 35 days ago.

During meetings of ministers, advisers, and Chapare coca growers' leaders at government palace last week, the main topics on the agenda were coca, alternative development, and the antinarcotics fight.

The commitment entails the joint consideration of the 1988 Vienna Convention, Law No. 1008, and other regulations on the subject, with a view to "establishing better conditions and eliminating the factors that have condemned coca plantations and the use of coca" in the countries where coca is traditionally used.

Anibal Aguilar Gomez B.A., general adviser to President Gonzalo Sanchez de Lozada, gave a concise explanation of the implications of the 1988 Vienna Convention with regard to international acceptance of coca, noting that Law 1008 recognizes the medicinal and traditional use of coca in Bolivia.

He said, however, that the 1988 Vienna Convention recognizes alternative development as a way to eradicate drug trafficking.

Concerning the "coca diplomacy" that President Jaime Paz Zamora implemented at an international level, Aguilar Gomez said that "unfortunately, it was not implemented as appropriately as expected." He announced that government specialists have begun to evaluate the proposal, which was raised at a world level.

Leader Evo Morales, who attended the meetings at Government Palace last week, said the talks with the executive branch have facilitated the reconsideration of the decision to annul the participation of peasants in the National Council for Alternative Development.

He said: "We made a proposal on how we could recover our participation in drawing and redrawing projects and the government decided that this participation will be reestablished." He added: "There is a political will to guarantee the effective participation of peasants."

The government officials and coca growers also discussed how to provide financing to the growers of small coca plantations in the areas of transition. These coca growers cannot get financing from the special fund appropriated for alternative development because they are not legally established.

Morales said that the Undersecretariat for Alternative Development is paralyzed and there is no other legal government organization to operate the fund. Therefore, the funds are in the process of being returned to the international organizations.

Morales explained that the government commitment is to establish a mechanism to prevent the funds from being returned.

He also said that the problems of surplus production and how to carry out the struggle against drug trafficking from the economic point of view were also discussed. Morales said there are points of agreement with the government on alternative development.

Morales believes that the goals fulfilled so far on coca eradication are "a good contribution to the struggle against drug trafficking." He added that the government should repay the peasants' sacrifice through a more adequate policy within alternative development.

Morales noted: "Eradication for the sake of eradication will not solve the economic problem." He added: "Eradication must be followed by mechanisms to repay the peasants for their sacrifice."

Answering reporters, Morales agreed with the government proposal to change Law 1008 which was labeled as a "Draconian instrument." He pointed out that the proposal was approved in a meeting held by coca growers on 19 July 1993 but that it was not conveyed to the government because the country was involved in electoral process.

Morales said that the country "should not condemn legislation on the cultivation and use of coca through

Law 1008. The position of some congressmen to improve or change the law is healthy."

Morales concluded by saying: "Coca has not caused any harm in its 5,000 years of vegetable life. Any sociologist, doctor or anthropologist can tell you how many people have been killed by coca." He added: "Never confuse coca with cocaine."

Peasant Leader on 'Militarization'

PY2109233093 La Paz Television Nacional Network in Spanish 1700 GMT 21 Sep 93

[Unattributed report from Cochabamba]

[Text] Evo Morales, the executive secretary of the Special Federation of Tropical Region Peasant Workers, has stressed that the militarization of the Chapare Region has begun. He explained that under the name of the Transport Battalion, the Army has already joined interdiction activities.

Morales fears that this militarization will go against the coca growers themselves, affecting their economy and their security.

'Positive Climate' Seen Between New Government, COB

PY2109224693 La Paz LA RAZON in Spanish 10 Sep 93 pp 8, 9

[Excerpts] President Gonzalo Sanchez de Lozada and COB's [Bolivian Labor Federation] executive secretary, Oscar Salas, issued a joint communique stating that the meeting they held yesterday with cabinet members and the COB "marks the beginning of a period of opening in which solutions to national problems will be sought within a framework of brotherhood and social peace."

After the meeting, which lasted approximately four hours, the information minister and Salas held a news conference to make public the agreements reached at the meeting, including the joint communique.

It was thus agreed that a joint commission of government and COB representatives will be established in order to make an in-depth study of the following subjects: the crisis in the mining industry, social security, education, health, housing, peasants, coca growers, popular participation, the struggle against corruption, and other subjects of national interest.

Salas stated that the meeting between 18 COB members and government officials, including the labor, economic development, human development, information, and interior ministers as well as other executive branch officials, was conducted in an atmosphere of frankness.

Having decided on what subjects require urgent treatment, those present at the meeting determined that the joint commission will start meeting as soon as possible. Salas stated nonetheless that this does not mean that the COB is giving up its social claims.

"Social peace will be achieved once solutions to workers' problems are found," he said.

Notwithstanding the fact that the government's plans for government-owned companies going public was not broached for lack of time, Salas noted that this subject will be studied by the joint commission in order to reach a consensus between workers and the government.

With regard to the problem confronting the National Health Fund, the government committed itself to withdrawing the police detachment sent to its headquarters while appropriate solutions are being sought with Human Development Minister Fernando Romero. It has not been reported, however, whether coercive measures implemented there will be lifted.

Antelo stated that the government hopes a settlement of worker's claims may be reached by discussing them with the same cordiality that prevailed at the meeting.

Salas headed a COB delegation that had lunch yesterday with the president of the Republic and other government officials. Once lunch was over, Salas stated that he perceived a positive climate to continue negotiating labor claims after his meeting with the government.

He said: "There is a positive climate. The fact that the government has accepted discussing workers' problems and concerns with the COB opens the door for working out a mutual agreement without having to resort to force."

He added, however: "The maintenance of this new atmosphere will depend on the results and answers the executive branch gives to workers' grievances. If these answers fail to meet social, economic, and labor expectations, dialogue will break down." [passage omitted]

Peasants were represented at the aforementioned meeting by Juan de la Cruz Villca, who commented on the threat posed by the commercialization and liberalization of land tenure. "That would be tantamount to the destruction of community life," he said.

Concerning the subject of coca, Villca said: "We have told the government that we, peasants, will oppose the mandatory eradication of coca crops. We will continue battling to having Law No. 1008 amended because human rights are violated in drug enforcement efforts against coca growers under the pretext that drug trafficking must be curbed."

Illegal Entry of Brazilians Viewed

PY2109232993 La Paz Television Nacional Network in Spanish 1700 GMT 21 Sep 93

[Report by Mario Espinoza from Government Palace]

[Text] Minister of Government German Quiroga today caught us by surprise when he said that the problem of the illegal entry of Brazilian citizens into Bolivian territory is a problem for the Armed Forces.

This issue is linked to a report published by the Catholic Church daily PRESENCIA, which points out that Brazilian settlers have reportedly settled in a 50-km buffer strip on the Brazilian border.

[Begin Quiroga recording] I first want to differentiate between national security in border areas, which is an issue for the Armed Forces and not for the police, and the problem in Pando Department. The latter is basically linked to a significant number of identity documents that have appeared and that belong to Brazilian citizens.

We have instructed the Pando Department Bureau of Identifications [Oficina de Identificacion del Departamento de Pando] to send us a detailed report on the way this problem has been handled and very severe measures will be imposed. [end recording]

IMF Extends Financial Support Program

PY2109231193 La Paz LA RAZON in Spanish 9 Sep 93 p 2

[Text] The IMF yesterday accepted extending the Enhanced Structural Adjustment Facility (ESAF) until 31 March 1994, according to a message sent yesterday by the IMF to Planning Minister Fernando Illanes de la Riva.

This is a response to a petition by the new Bolivian administration a month after taking power, and it demonstrates a gesture of flexibility by the IMF to help reorganize Bolivian public finances and continue structural reforms.

The program extension will not involve the disbursement of $13.6 million in Special Drawing Rights equivalent to approximately $20 million, which corresponds to the second installment of the fourth year of the ESAF specially granted to Bolivia and nine other IMF member countries.

Illanes said the disbursement of these funds is subject to the negotiation of new macroeconomic goals and represents "an approval and a citizenship permit within the international financial context."

For the end of the ESAF program in March 1994, the Bolivian Government in November will again negotiate a new program, whose characteristics have not been outlined yet, with the IMF. The objective of the basis of the new relation with Bolivia will be the programming of the fiscal deficit, the balance of payments, and other measures included in the structural reform program that began in 1985.

In mid-1988, Bolivia signed an agreement with the IMF to obtain financial support for the structural reform program, which has been translated into $180 million for the Bolivian balance of payments.

The fourth year of this program scheduled the disbursement of a last installment of $20 million by September 1993. However, noncompliance with the fiscal deficit goal, which was initially planned to reach 3.02 percent of the GDP, has caused the postponement of the disbursement of funds.

Illanes said the program extension will allow Bolivia to attend a meeting of the Interim Committee held annually in Paris to obtain the necessary financing from financial institutions and friendly countries. The Bolivian Government thinks the meeting will take place in December and it will be able to present some projects in the social and production fields.

Minister Illanes said the IMF decision corresponds to the efforts shown by the government to readjust the changes observed in the last few months in the administration of fiscal resources. "The fact that the new government is not responsible of what happened in the past few years" also weighed in the IMF decision, said Minister Illanes as he labeled the IMF decision relief for establishing a new macroeconomic program and goals.

A few months before the ESAF's expiration—which was specially offered to the developing countries with the greatest economic unbalances—Minister Illanes trusts in promoting new financial support programs. He did not rule out obtaining a stand-by credit or an extra year for the ESAF program, which has helped Bolivia implement reforms in different sectors of its economy.

Brazil

PMDB Supports President Franco's Administration

PY2109234793 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 21 Sep 93

[Report by Antonio Carlos Silva from Congress]

[Text] The PMDB [Brazilian Democratic Movement Party] National Council has decided to maintain its support for the Itamar Franco administration. During a voting session in which 25 votes were in favor and 22 against this decision—and all of whose members finally approved it—the party's National Council decided to continue supporting the government in Congress. The PMDB meeting began today at 1030 and lasted nearly seven hours.

At the meeting's start, the position to break away from the government sponsored by the governors of Sao Paulo, Para, and Goias seemed to gain strength, but it did not manage to obtain full support. At the meeting's end, Sao Paulo Governor Luiz Antonio Fleury Filho said he would respect the party decision.

[Begin recording] [Fleury] I do not think anybody either lost or won. There has been a demonstration of great party unity here today.

[Unidentified reporter] How is your relation with President Itamar Franco?

[Fleury] I will respect the party's decision. I will support the government. [end recording]

Para Governor Jader Barbalho also will respect the party's decision.

As for future PMDB demands on the federal government from now on, both the Sao Paulo and Para governors said this will be a task for the party leadership, which from now on will administer relations with the government.

President Itamar Franco will officially be informed of the PMDB decision by party President Deputy Luiz Henrique. Despite the close voting results, Luiz Henrique believes the PMDB emerged united from this session.

Public Opinion Poll Shows Shift Toward Center-Left

PY2209024993 Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Sep 93 Section 1 p 12

[Article by Clovis Rossi]

[Text] A public opinion poll conducted by Datafolha has revealed that if state elections were held now, the fulcrum of power in nine major states would shift from the center-right to the center-left, even though in Brazil such labels pinned on political parties are quite imprecise. The survey was conducted in the aforementioned nine states, Mato Grosso do Sul, and Brasilia, which are less important electorally.

The PSDB [Brazilian Social Democratic Party], which is considered social-democratic—the epitome of the center-left, would comfortably win the elections in two major states (Sao Paulo and Rio de Janeiro) and also would win a landslide victory in Ceara. The PSDB also leads the race in Bahia, even though it is not as far ahead of its opponents there.

The predominance of the center-left is buttressed by the fact that politicians who are generally labelled as such have performed well in Rio Grande do Sul (Antonio Britto, from the PMDB [Brazilian Democratic Movement Party]) and in Parana (Jaime Lerner, from the PDT [Democratic Labor Party]). Miguel Arraes (PSB) [Brazilian Socialist Party] is also ahead in Pernambuco. The public opinion poll shows that the center's and center-right's leadership is limited to Minas Gerais (Helio Costa, from the PP [Popular Party]) and Santa Catarina (Esperidao Amin, from the PPR [Progressive Renewal Party]).

In 1990, the center-right was the favorite in five of the nine states surveyed. At present, the center-left is the favorite in seven of those nine states even if one counts Parana as a draw between Lerner and the former governor, Alvaro Dias, who is considered as belonging to the center-left even though he is a PP member.

This outlook must be taken with a pinch of salt, though. Rather than ideological definitions, what seems to be holding sway is the fact that people are acquainted with the candidates' names. Bahia Governor Antonio Carlos Magalhaes (PFL) [Liberal Front Party] has stated: "For the time being, a well-known name gives candidates an advantage over their rivals."

This is true: Among the names that stand out as possible candidates, 12 are former governors (Newton Cardoso, Esperidiao Amin, Alvaro Dias, Waldir Pires, Miguel Araes, Taso Jereissati), former mayors (Mario Covas, Marcello Alencar, Jaime Lerner, and Juracy Magalhaes) or current mayors (Rio de Janeiro Mayor Cesar Maia and Recife Mayor Jarbas Vasconcellos). There are also ministers, such as Antonio Britto (social security) and Jutahy Magalhaes Jr. (social welfare).

Besides that Britto adds two other factors: "The national factor is not yet included (i.e. presidential candidacies), and alliances have not been defined yet."

In any case, the public opinion poll shows that support for the two leading parties in the country (namely the PMDB and the PFL) is being whittled down. Were elections held now, the PMDB would only win in Rio Grande do Sul. It also might stand a good chance in Rio de Janeiro with Cesar Maia and in Bahia with Ruy Bacelar. The PFL already may have been crossed out in the major states even though it sill has chances in Bahia, where it already governs.

The new national president of the PFL, Jorge Bornhausen, concedes that his party is somewhat fragile. "The fact of the matter is that we currently have the greatest number of governors, but the most important state that we govern is Bahia." The PFL fielded candidates for nine governorships in 1990 and lost only one (Pernambuco State was lost to Joaquim Francisco, who is now independent).

The PPR (a coalition of the PDS [Democratic Social Party] and the PDC [Christian Democratic Party]) assesses this situation with calmness since it does not govern in any of those states and, according to the survey, will govern Santa Catarina. Senator Amin, PPR national president, explains that it is also due to the fact that "it is now covering the country in a more efficient way than what the PDS and PDC, together, used to do before joining forces."

Workers Party Electoral Strength Viewed

PY2209004093 Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Sep 93 Section 1 p 12

[Article by Carlos Eduardo Alves]

[Text] The slack lead held so far by Luis Inacio Lula da Silva in the presidential race has not diminished the fear prevailing within the PT [Workers Party]: The party does not have strong candidates for state governors. PT National Secretary General Gilberto Carvalho said: "Obviously this is a problem for us." The fear is that the governor's race may push Lula down.

Aware of the fragility of its candidates for state governors, the PT has decided "to nationalize" the 1994 campaign. PT Vice President Rui Falcao said: "Lula will go on television to show that governors, senators, and deputies will help him govern." To compensate for the disproportion between Lula's popularity and that of his state representatives, the PT must make the application of the so-called "political alliances" more flexible by supporting the candidates of other parties in some states.

The PT is working under the reality that so far it only has two strong candidates: Olivio Dutra (RS) [Rio Grande do Sul] and Vitor Buaiz (ES) [Espirito Santo]. The big problem is the shortage of representatives to participate in important states such as Sao Paulo, Rio de Janeiro, and Minas Gerais. In Sao Paulo, Federal Deputy Jose Dirceu is the favorite in the primary to chose the hopeful candidates. In Rio de Janeiro, Federal Deputy Vladimir Palmeira should be the winner in the internal dispute with Milton Temer but even with Dirceu the PT lacks electoral support for governors.

Minas Gerais is a state where PT supporters are growing but no strong party candidate has yet appeared. "The people cannot forget that the PT is very strong and will support our candidates," said Falcao. PT leaders believe Cristovam Buarque can get into the second round of elections in Brasilia.

In the northeast, the PT should support the candidacy of Miguel Arraes (PSB) [Brazilian Socialist Party] for governor of Pernambuco if the PSB supports Lula. In Bahia, the situation is more complicated. The possibility of a coalition with the PSDB [Brazilian Social Democracy Party] is greater if the candidate is PSDB member Waldir Pires. Yet one strong PT current prefers its own candidate to "mark a position."

In Mato Grosso, Cuiaba Prefect Dante de Oliveira (PDT) [Democratic Labor Party] has practically obtained PT support for his candidacy for governor. The problem is to convince the PT national leadership to accept the support from a man who belongs to Brizola's [Rio de Janeiro Governor Manuel Brizola] party.

Ceara is the state were most probably the PT will yield to the PSDB candidate. The local PT leadership is under the control of the supporters of Deputy Jose Genoino who is the strongest defender of alliances. Federal Deputy Eduardo Jorge said: "If the PT does not make alliances, it will push down Lula's candidacy."

Sao Paulo's Maluf Starts Presidential Campaign

PY2209003893 Rio de Janeiro O GLOBO in Portuguese 20 Sep 93 p 3

[Article by Leticia Lins]

[Excerpts] Pedro Avelino (RN) [Rio Grande do Norte]—Sao Paulo Prefect Paulo Maluf started his presidential campaign on the roads of the northeast. On the night of 18 September, Maluf paraded on top of a vehicle carrying a rock group, walked with the people, got up on raised platforms, and mobilized approximately 5,000 people during visits to Natal and three cities in Rio Grande do Norte where he held rallies.

The largest rally was in Pedro Avelino, 180 km from the capital. Early yesterday afternoon, Maluf attended the regional convention of the PPR [Progressive Renewal Party], which also was attended by Governor Jose Agripino Maia, who belongs to the PFL [Liberal Front Party] [passage omitted]

Despite the rallies held, Maluf made clear in interviews that "the campaign will only start in 1994." The first step, however, was being taken to get the support of Gov. Agripino Maia and the local PFL for his candidacy.

Finance Minister Denies Any New Economic Package

PY2209012493 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 21 Sep 93

[Text] Finance Minister Fernando Henrique Cardoso today denied that he is preparing a new economic package to curb inflation more rapidly. He said the government will not allow either political or market pressures to accelerate the implementation of economic measures. The government, he said, totally controls the situation and can push it forward. He said he sees no reason for the inflation to climb further.

Speculation on Economic Measures Stirs Up Dollar Market

PY2109231793 Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Sep 93 Section 1 p 4

[Article by Mario Rocha and Joao Carlos de Oliveira]

[Excerpt] According to an assessment by some banks, the Central Bank (BC) yesterday sold $1.6 billion on the commercial exchange rate market (exporters and importers) in four operations. This was the amount spent by the government to curb the speculation drive that followed a remark by Finance Minister Fernando Henrique Cardoso that the (commercial and tourism) exchange markets would be unified within a 30-day period.

The Sao Paulo Stock Exchange yesterday negotiated a record volume of $281.2 million and closed with an 8.7-percent increase; the Rio de Janeiro Stock Exchange

closed with an 8.5-percent increase. The point is that the exchange rate's unification was viewed as a concrete initial step toward a stabilization program.

The minister's announcement encountered a market that already had been demanding dollars. A deadline for foreign investors to conform to new rules banning their participation in commodities [preceding word in English] funds were due yesterday. Basically, there were two solutions for dollars coming from abroad: to leave the country (which involved purchasing dollars on the commercial market) or moving to the stock exchanges. Both solutions were implemented. [passage omitted]

11 More States Reschedule Debt With Federal Government

PY2209015493 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 21 Sep 93

[Report by Patricia Gomes from Brasilia]

[Text] Finance Minister Fernando Henrique Cardoso said today that speculators will not manage to destabilize the economy. Today 11 states promised the finance minister they would pay their 780 billion real cruzeiros debt with the Federal Government.

The document of intent to reschedule the debt signed today by the 11 states, including the Federal District, and the Federal Government, will represent a 3.240 billion real cruzeiros income for the National Treasury. This sum represents the first of the 240 installments that the states must pay to the Federal Government over the next 20 years.

Minister Fernando Henrique Cardoso believes that the signing of this document with 22 states so far proves that the government can administrate the domestic debt. He also said that he wants to balance the public accounts and curb inflation. For this reason, he said, he will not allow speculation.

[Begin Cardoso recording] Those who speculate that they will be able to make money out of the government will not be able to do so because we have a technically competitive team backed with solid reserves, total credibility, which has the full support of the president of the Republic to operate in the manner it thinks it is best for the country, without any hindrances and without any interest that is not the wellbeing of the country. [end recording]

Finance Minister Fernando Henrique Cardoso said he is confident the government is gaining the confidence of the public because the public administration and Congress are making a joint effort.

Public Bids Dropped for Armed Forces' Purchases

PY2109233593 Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Sep 93 Section 1 p 14

[Article by Xico Sa from Sao Paulo and William Franca from Brasilia]

[Text] A provisional measure (MP) issued by the federal government exempts the Armed Forces from the obligation of calling for public bids for signing purchase agreements. The MP, which was published yesterday in the "OFFICIAL GAZETTE," also provides that printing and computer services will not be liable to public bids and will be provided by government agencies such as the Official Printing House and Serpro (Federal Data Processing Service).

New MP No. 351 was issued to amend the new law on public bids (No. 8666 enacted on 21 June). The amendments make the requirements included in the original text less exacting.

Lawyer Saulo Ramos, a former justice minister, told FOLHA: "I thought it would be impossible to spoil this law even more but the government managed to do it."

In his opinion, exempting the Armed Forces from the obligation of calling for public bids for their purchases is "unforgivable." Under the MP's terms, the Army, Navy, and Air Force can do without public bids for "purchases of material whenever it is necessary to conform to the standards of the logistics support structure for the naval, air, and land services."

With the new regulation, a case like the purchase of Army uniforms in 1991 would not have even caused a controversy. The Army, which had called for a public bid, was accused of overpricing the uniforms. Now, with enforcement of the MP, the government does not have to call for bids even for buying socks, berets, etc.

As a further result of the MP, the government was once again made the exclusive contractor for printing and data processing services. The new Law on Public Bids did not exempt any services from the obligation of being contracted from the market through public bidding. The MP dispensed with public bids for printing official gazettes, standardized forms, and official technical publications, and for data processing services.

According to Walter Nory, the PMDB [Brazilian Democratic Movement Party] deputy for Sao Paulo, who was coordinator of the law the government is trying to amend, Planalto Palace included the authorization for the Armed Forces in the MP after a last-minute decision.

Nory was a member of a commission that wrote the MP's text. He yesterday said he was surprised by the article.

Nory believes the MP will be transformed into a conversion bill, an expression that in congressional jargon

denotes a bill that aims at modifying provisional measures approved by the government. This idea has been strengthened by the fact that there are several proposals in Congress for modifying the Law on Public Bids. Congress has 30 days to study the MP.

FOLHA tried to question Ccomsex [Army Social Communication Center]. General Gilberto Serra, the chief of Ccomsex, was in Rio de Janeiro and could not be contacted yesterday afternoon. He is the only authorized person who can discuss the subject.

Rondonia Governor Allegedly Behind Senator's Slaying

PY2109232193 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 21 Sep 93

[Text] The Federal Police are at the point of resolving one of the most mysterious political crimes: the assassination of Senator Olavo Pires in Rondonia State.

Speaking live from Brasilia, reporter Alexandre Garcia has more information on this case:

[Begin recording] A little more than a month ago, Federal Police arrested a man who allegedly assassinated Sen. Olavo Pires. The senator was machinegunned on a Porto Velho street a little more than two years ago.

Now Federal Police have arrested three more people in Manaus: Adhemir dos Santos, Joao Ferreira Lima, and Carlos Leonor. The latter confessed that he pulled the trigger of a machine gun seized by Federal Police that is now being subjected to ballistic tests.

Speaking before a prosecutor and an attorney, the three prisoners just mentioned Rondonia Governor Osvaldo Piana as the crime's mastermind.

The case is so serious that the attorney general of the Republic, the justice minister, and even the president of the Republic already have been informed of it. [end recording]

Chile

Silva Cimma Against Deputies' Border Issue Request

PY2109230193 Madrid EFE in Spanish 2333 GMT 20 Sep 93

[Text] Santiago, 20 Sep (EFE)—Chilean Foreign Minister Enrique Silva Cimma has said that the proposal drafted by 62 Chilean deputies on the Laguna del Desierto region is "very serious" and could prompt Argentina to take initiatives that would invalidate the arbitration over this territory.

In statements published today, 21 September, in "LOS TIEMPOS" magazine, the minister said he learned about the proposal through the press. The proposal was drafted, among others, by government alliance deputies who asked President Patricio Aylwin to negotiate the withdrawal of Argentine border policemen from the Laguna del Desierto and the dismantling of the facilities there.

The dispute over this barren territory of 500 square kilometers, some 2,100 km southeast of Santiago, provoked serious tension between Argentina and Chile in November 1965, when a Chilean Carabineros officer died during a shootout with Argentine border policemen.

Silva Cimma was asked if the Chilean lawmakers signed the petition because they were naive or because they were not well informed. He replied: "One sees everything happening in a pre-electoral period. Furthermore, I believe they did not carefully consider the possible repercussions of the matter."

Chile will hold presidential and congressional elections on 11 December, and the elected authorities will take over on 11 March 1994.

The minister said he sent a note to Chamber of Deputies President Jorge Molina telling him that the proposal "was very serious. It places Chile in an extremely sensitive situation with respect to Argentina which might take some initiatives to invalidate the arbitration."

Silva Cimma said he told the deputies of government alliance parties about "the seriousness of the matter... A decision was therefore made, with which I agree, to submit the matter to the Foreign Affairs Committee of the Chamber of Deputies."

The tribunal that will set the final borderline in Laguna del Desierto, which was created in August 1991 by an agreement signed by Presidents Carlos Menem and Patricio Aylwin, is headed by Colombian Rafael Nieto Navia. Its members are legislators Julio Barberis (Argentina), Santiago Benedava (Chile), Reynaldo Galindo (El Salvador), and Pedro Nikken (Venezuela).

Says Chile Willing To Talk

PY2109231493 Santiago Radio Cooperativa Network in Spanish 2300 GMT 20 Sep 93

[Text] Foreign Minister Enrique Silva Cimma today stressed the willingness of the Chilean Government to talk with Bolivia. He reiterated, however, that Chile cannot accept Bolivia's claim to an outlet to the ocean. The two countries' rights are regulated by the 1904 Treaty, which establishes the legality of the matter. Silva Cimma ruled out the possibility of anyone claiming any rights over Chilean territory. He said that this does not preclude the possibility of dialogue. We have talked more than once, he added.

Silva Cimma said the Chilean Government has handled its relations with Bolivia with pragmatism and there are important and positive projects ahead. Our projections exclude any debate on Bolivia's sea outlet problem and gives priority to other items of common interest. Among

the positive items of this process Silva Cimma mentioned the law permitting foreigners to purchase real estate in border zones, which is currently in Congress; the unilateral elimination of the visa requirement for Bolivians travelling to Chile; and the construction of the new road between Arica and La Paz. He said the Chilean section of the road is finished, adding that the government also has offered to manage the Arica-La Paz railroad service, but Bolivia wanted a joint enterprise to handle it.

All this shows progress in our relations, which have advanced so far that for the first time in history a Chilean foreign minister will preside over a meeting in Bolivian territory. All this despite the lack of diplomatic relations, said Silva Cimma, referring to the upcoming Rio Group meeting in Santa Cruz.

The minister concluded: In view of all this progress, to continue mentioning the past history of rancor, insisting that we discuss Bolivia's landlocked situation, seems irrelevant to us.

Pinochet Praises Military Relations With Argentina

PY2109220093 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 21 Sep 93

[Text] Today General Augusto Pinochet outlined the excellent relations between the Chilean and Argentine Armed Forces. Pinochet said the military are not the ones who provoke wars.

The Chilean and Argentine Governments are very happy to see that cooperation also has extended to the military field. The visit by the highest Argentine defense authorities was considered an historic event.

Defense Minister Oscar Camilion; General Candido Diaz, Armed Forces joint staff chief; and Argentine Army Chief General Martin Balza were among the visitors.

Balza was decorated by the Chilean Government with the Bernardo O'Higgins medal. Balza recalled that the brotherly relations between Chilean and Argentine military forces stem from the times of O'Higgins and San Martin [independence heroes], and stressed his present friendship with his Chilean counterpart, Gen. Pinochet.

[Begin recording] [Balza] Gentlemen, we do not fight. No one will shoot at us or devour us. We are brothers forever. [applause]

[Unidentified reporter] What can you tell us about the friendly words from Gen. Balza?

[Pinochet] I am a very good friend of Gen. Balza. We have become very good friends. Every time he comes here we sit; we talk; we are friends. I am also a friend of Gen. Candido Diaz. We have always had very friendly relations with the Argentine Army. War is not provoked by the military. Wars are provoked by others.

[Reporter] The mistrust caused by the 1968 incidents are over general? [end recording]

Confirming that antagonisms such as the ones that placed the two countries at the brink of war in 1968 are being overcome with decisiveness, the Argentine Government decorated the Chilean Air Force and Navy commanders in chief just half an hour later at the Argentine Embassy.

The two countries' military cooperation continues progressing in a peaceful climate.

[Begin Defense Minister Patricio Rojas recording] We also will exchange studies on cooperation between the two nations in cases of natural catastrophes in border areas. As you know, these things occur frequently, particularly on the Chilean side of the border. [end recording]

Bomb Attacks Mark Anniversary of Military Coup

PY2109232493 Santiago EL MERCURIO in Spanish 11 Sep 93 p C15

[Excerpts] Unidentified terrorists last night staged five explosive and incendiary attacks against party offices, a Mormon church, a bus, and a police station. One passerby suffered acoustic shock.

In Pelequen, terrorists bombed a high-tension pylon of the Endesa [National Electric Company, Inc.] grid but they failed to cause a blackout. A voltage drop was reported in some sectors of the Metropolitan Region.

The attacks occurred just a few hours before the 20th anniversary of the coup that ousted the government of Salvador Allende on 11 September 1973.

The most serious attack occurred at 2115 at the National Renewal headquarters at 7050 Jose Joaquin Perez Street, where a small bomb tossed against the building's facade injured Alex Gonzalez Salazar, 20, who was walking along the sidewalk when the bomb exploded. [passage omitted]

At the same time, at the 9th bus stop on Vicuna Mackenna Avenue, unidentified people staged a similar attack against the political headquarters of Gustavo Alessandri, candidate for a seat in the Chamber of Deputies for La Florida. Windows and walls were damaged.

Also in La Florida, on the corner of Santa Raquel and Manutara Streets, west of the 19th bus stop, unidentified people detonated a medium sized bomb at a Mormon church, the modern facilities of which have been attacked on at least two previous occasions.

At the corner of Bernardo O'Higgins Avenue and Nataniel Street, an urban bus was abandoned by the passengers following the detonation of an incendiary device that had been planted under a seat. The incident

occurred close to midnight, near La Moneda Palace. The Fire Department intervened and no victims were reported.

A small bomb was hurled yesterday at the local police station near the 24th bus stop on O'Higgins Avenue in La Cisterna. Some damage was reported. [passage omitted]

Provincial PDC [Christian Democratic Party] President Rafael del Valle has reported to the Carabineros that unidentified people early yesterday morning used an incendiary device on an attack on the PDC headquarters at 158 Eyzaguirre Street in San Bernardo. [passage omitted]

Dante Yutronic, a UCC [Center-Center Union] candidate for deputy, has reported that his political command headquarters in Cerro Navia was again attacked last Wednesday, this time with an incendiary device. [passage omitted]

Osorno PDC Headquarters Bombed

Osorno (By Nieves Aravena)—A small bomb exploded around midnight on Thursday at the provincial PDC headquarters in this city.

The bomb shattered windows and damaged the entrance of the building at 560 Martinez de Rozas Street, which houses the government party headquarters in this city. [passage omitted]

The FRPL [Lautaro Popular Liberation Forces] claimed responsibility for the attack in Osorno through leaflets that were left in the area. [passage omitted]

Colombia

Conservative Leaders, Government Discuss Public Order

PA2109184093 Santa Fe de Bogota EL TIEMPO in Spanish 17 Sep 93 pp 1A, 6A

[Text] Fabio Villegas Ramirez and Rafael Pardo Rueda, government and defense ministers, respectively, on 16 September analyzed with Conservative Party leaders the difficult public order situation and agreed that the whole community must collaborate in defending democracy and its institutions.

Conservative leaders, however, were not satisfied with the meeting because, in their opinion, the government defended its strategies against terrorism "which have not shown results," according to Jaime Arias Ramirez, president of the independent directorate.

Conservative leaders said they were not satisfied with government answers to their request for guarantees during the electoral process, which has been severely upset by the murder of former Conservative Senator Feisal Mustafa.

Members of the two conservative directorates met for three hours on 16 September with Ministers Villegas and Rueda to review the country's public order situation.

In addition to Mustafa, two other Conservative leaders—Amaury Garcia Burgos and Argelino Duran Quintero—have been killed in the past few months.

Conservative congressmen from areas affected by violence who were present at the meeting portrayed an alarming picture of the way in which guerrilla groups are controlling regions.

"There is an obvious intention of colonizing the mayor's offices," Arias Ramirez said.

In Santander Department, for example, according to one of the meeting's participants, there is strong guerrilla influence in at least 50 of 70 municipalities, while in Cesar Department, out of 23 mayors offices "at least nine are controlled by the guerrillas."

Government Minister Villegas said "the guerrillas believe participating in politics means killing people," and urged Colombians to close ranks against subversion.

We must use democratic means to besiege the guerrillas who believe they can enter the political field by killing defenseless Colombians," Villegas stressed.

We can defeat subversion by strengthening democracy and making it a more legitimate instrument," he added.

Conservative leaders noted that the objective of the meeting was not to request "armored tanks or bullet-proof vests," but to thoroughly analyze the critical situation millions of Colombians are facing as a result of subversive activities.

According to Arias, in their opinion the strategy against the guerrillas is not producing results "even though there are budget funds for this purpose and the government has received the necessary support."

Conservative leaders agreed that politics can be compared to a public service "currently being rationed as a result of violence."

They said that the government does not have an adequate social policy for the areas affected by violence, and only repression has been used as an instrument to control guerrilla groups.

In that sense, they said Congress should again play a belligerent role in designing the country's development plan.

"The government has abandoned rural areas, and this situation, more than an economic problem, has become a public order problem, one of the congressmen said.

Retired General Fernando Landazabal Reyes, member of one of the Conservative Directorates, mentioned the expansion of guerrilla groups during the past 10 years, noting that the number of guerrilla fronts operating in

Santander, where Mustafa was kidnapped, is practically the same as the number that existed in the entire country in 1980.

* Security Upgrades Planned at Some Prisons

93WD0799X Santa Fe de Bogota EL ESPECTADOR in Spanish 14 Aug 93 p 7A

[Text] Santa Fe de Bogota—To reinforce the surveillance in the maximum security cellblocks of the country's various prisons, in which dangerous narcoterrorists and guerrilla fighters are held, the Ministry of Justice has trained 280 wardens, who will begin their work today.

Besides increasing the manpower in the high security cellblocks, the guards will reinforce the surveillance at the La Modelo, La Picota, Bellavista, Palmira, El Barne, Acacias, Cucuta, Bucaramanga, Cali, and Popayan prisons, as well as in other circuit jails.

In addition to the increase in guard and custodial personnel, it is expected that, over the medium term, electronic equipment such as X-ray machines and metal detectors will be installed, to make the controls more effective.

The replacement of weapons and the purchase of ammunition, antiriot equipment, and uniforms are other priorities in the plans for prison security.

Owing to the serious crowding problem being experienced by the prison centers in the capital of the republic, and the urgent need for housing for dangerous criminals, the Justice Ministry plans to build a high security jail in this city similar to the one at Itagui. Incarcerated in the latter are 18 aides of Pablo Escobar Gaviria.

Also to be implemented is the design and, in some instances, the construction of high security cellblocks at the Villahermosa prison in Cali, as well as those in Medellin, Palmira, etc.

Starting next year, the prison surveillance will be reinforced with the inclusion of hundreds of young college graduates, who will perform their compulsory military service in this manner.

* Security Said Inadequate at DAS, Dijin Prisons

93WD0799Z Santa Fe de Bogota EL TIEMPO in Spanish 13 Aug 93 pp 1A, 8A

[Text] Reportedly, a nascent wave of attacks is being plotted in the very prisons of the Judicial and Investigative Police Directorate (Dijin) and the Administrative Department of Security (DAS).

This warning was given by the Attorney General's Office to the directors of the Dijin and DAS.

The Public Prosecutor's Office is said to have received information to the effect that certain DAS and Dijin employees are serving as liaison with various unlawful organizations to cooperate in criminal attacks.

The Attorney General's Office categorically stated that, because of a few corrupt employees, the DAS and Dijin facilities may have ceased to be safe places for incarceration.

The DAS and Dijin admitted the existence of the potential threat, but argued with reasons of expediency and security in favor of keeping certain inmates confined in their facilities.

It was established that both the Attorney General's Office and the Prosecutor General's Office have requested that the individuals confined on the security agencies' premises be transferred to jails offering those in custody further guarantees.

Spearheading the Public Prosecutor's Office's investigations is the disciplinary process being carried out against an officer, a subordinate officer, and an agent of the Dijin, who apparently collaborated to commit an attack against Jorge Enrique Velasquez, alias "El Navegante."

A report from the Attorney General's Office states that the three policemen took part in the plan to murder Velasquez, who was supposed to be transferred from Bogota to Cali three months earlier, when an attack on his life was foiled.

Yesterday, the Attorney General's Office opened a bill of indictment against Captain Manuel Ricardo Salgado, Sergeant Second Class Fabio Gallon Hernandez, and agent Alberto Guerrero Taborda. The Public Prosecutor's Office summoned them to answer for their presumed collaboration to kill "El Navegante."

According to information in the possession of the Attorney General's Office, while in the DAS prisons a former associate of Jose Gonzalo Rodriguez Gacha, alias "El Mexicano," orchestrated the attack against "El Navegante."

On these grounds, the prosecutory agency called to account Captain Salgado, who will have to explain the reason for his meeting, between 20 and 30 April, outside the Dijin facilities, with persons who gave him information on the site where "El Navegante" was incarcerated.

The Prosecutor's Office commissioned for the Judicial Police, headed by Attorney Guillermo Villa, claims that the officer met on repeated occasions with Carlos Roberto Cuan Bello, the person who presumably was to murder Velasquez.

Cuan was arrested by Dijin agents and taken to that institution's jail on 2 May of this year. Five days later, on 7 May, he attempted to perpetrate the attack, but an officer discovered the plot in time.

The report from the Prosecutor's Office indicates that Captain Salgado furnished information on the security of the Dijin's incarceration cites, on Velasquez's location and on his physical features and habits.

Paraquay

Wasmosy Announces 'Total War' Against Corruption, Drugs

PY2109025593 Asuncion ABC COLOR in Spanish 14 Sep 93 p 11

[Excerpt] Speaking to newsmen accredited to Government House, President Juan Carlos Wasmosy yesterday said: "We are determined to wage total war against crime, corruption, smuggling, and the drug trade. I ask for your cooperation in this endeavor." Wasmosy said this in connection with the arrest of car thief Adenicio Melo. He criticized the fact that these criminals are connected to other criminals who are serving time at the Tacumbu prison. Although noting that he does not want to cause alarm, he said that "some inmates run their business through cellular phones from their cells. They have a destabilization plan." Asked how could an inmate could have a cellular phone in prison, he said that he will adopt a number of measures to restore order at the Tacumbu prison.

Wasmosy said that human rights should not be implemented only to protect the rights of criminals, but also those of police officers who daily risk their lives fighting criminals. He added: "The government will crack down with the full weight of the law on these criminals—no matter who they are—who kill while robbing their victims, as well as those who protect these criminals, namely their lawyers. I will ask the Congress for its support in consolidating this democratic process."

Wasmosy then stated that this action by his government "marks the beginning of a Lopez Palace campaign to eradicate crime from our country."

Wasmosy described Melo as the head of a criminal gang "whose members will probably be leaving the Tacumbu prison soon." He noted, however, that Melo will be sent to Lagerenza, in the Chaco region, "to protect the people from him" because he previously masterminded criminal actions nationwide from his cell. [passage omitted]

Faction Leader Calls Wasmosy Government 'Corrupt'

PY1809204093 Asuncion ULTIMA HORA in Spanish 17 Sep 93 p 3

[By Dolly Galeano, special correspondent in Ciudad del Este]

[Text] Luis Maria Argana, leader of the Colorado Reconciliation Movement, stated during a meeting with local leaders that "the current government headed by [Juan Carlos] Wasmosy is corrupt by nature and its members only joined the Colorado Party to steal. They will not expel us from the Colorado Party because we do have a true desire to permanently strive for the ideological principles upheld by Bernardino Caballero [Colorado Party founder]."

Argana's strong criticism of the president and his aides is in response to the party leadership's attempt to punish members of his movement. The meeting took place at a soft drink factory in this city and was attended by some 350 people. Also present were the former candidate for the vice presidency, Juan Bautista Ybanez, and former Constituent Assembly President Oscar Facundo Ynsfran.

Further on in his speech Argana said that "by no means will those who come from the Alon Party [Liberal Party Youth Organization] expel us from the party. We will never leave our political party." Argana predicted the complete failure of Wasmosy's administration because, in his opinion, the Colorado people are beginning to realize they were cheated.

Argana insisted that "a sham oligarchy will not destroy the dreams and hopes of the people who continue supporting it. With these acts they are proving that Luis Maria Argana is not a dead politician, because the struggle has only just started." The dissident leader added: "The illegitimate status of the new government is beginning to have serious problems, such as its failure to respond to basic national problems such as the neglected and peasant sectors."

He added that with the mechanisms being implemented by the government, the mass of peasants and workers will be the only ones really harmed. Argana stated that "the great majority of those harmed are the cheated Colorado people, who continue to state today, more than ever, that the principles they have always advocated in their capacity as Colorados remain in force."

Yesterday Luis Maria Argana once again rejected the proposal for "a governability pact," which the Colorado Party as an institution had accepted. Argana said that the Juan Carlos Wasmosy government's attitude reflects a situation of "despair, because the lies that sustained his electoral program are beginning to backfire."

The leader of the Colorado Reconciliation Movement told those who were listening to him during the meeting in Ciudad del Este last night that there is no need for any governability pact because the national Constitution already provides for it. Argana added: "The great social pact was already drafted by the National Constitutent Assembly. Any action adopted by the government now clearly responds to a situation of despair, because all its lies are beginning to backfire."

In Argana's opinion, the opposition leaders make a "great mistake" in accepting the rules of the game imposed by the government headed by Wasmosy and [Blas N.] Riquelme. Argana also urged his fellow partisans "not to be deceived by false promises." He admitted the existence of defectors, whom he invited to once again join the "great national cause to save the immortal principles of Coloradoism."

Wasmosy Downplays Argana's Charges

PY210 9050993 Asuncion ABC COLOR in Spanish 18 Sep 93 p 5

[Text] Juan Carlos Wasmosy, Paraguayan president and commander in chief of the Armed Forces, downplayed the charges that Colorado Party Reconciliation Movement Luis Maria Argana hurled at him on 17 September. Among other things Argana said that Wasmosy's administration was "corrupt by nature" and that its members had joined the Colorado Party to steal. Wasmosy stressed: "Our accomplishments, attitudes, and results will prove who was right." He emphasized that he does not plan to give in to political pressure in either appointing or removing officials. "I am the only one who appoints my ministers," Wasmosy stated.

Asked about Argana's remarks in Ciudad del Este, Wasmosy answered: "You should ask Argana about it, because he is the one who said it. I just want to do my job, and I expect our accomplishments, attitudes, and results to prove who was right and who fulfilled his government program best."

In Ciudad del Este, Argana harshly criticized the current administration and its supporters, accusing it of being "corrupt by nature, while its members joined the Colorado Party to steal." Wasmosy downplayed the charges and did not elaborate on the issue.

The president was also asked whether the schism between Colorado Party factions is growing. He answered that there is no schism, because in a democratic party there can be differences of opinion. "It is to be expected in a democracy, and it does not mean we are enemies or that there are schisms among Colorado Party members," Wasmosy said, although Argana's serious charges prove him to be wrong on this matter.

Asked whether his most recent appointments to government positions should be seen as evidence that the Colorado Party is taking control of civil service, Wasmosy answered: "I do not believe that to be the case. If one appoints a Colorado Party member, people criticize it, and if one appoints the wife of [Authentic Radical Liberal Party] Senator Jose Felix Fernandez Estigarribia to some public office, people protest anyway."

He said: "I believe we are doing the best we can, slowly because it is impossible to make changes everywhere at once, but we will continue appointing the most capable people for every job."

The president also downplayed the pressure from his party to dismiss Industries and Commerce Minister Ubaldo Scavone. "I am the one who appoints the ministers," he said, thus reiterating his confidence in the minister in question.

Asked about his first month as commander in chief of the Armed Forces, Wasmosy said: "As an engineer I have miscalculated, because the burden is 10 times heavier than I expected, but I believe we will succeed."

Wasmosy also said that during his meeting with Uruguayan President Luis Lacalle Herrera on 18 September he will discuss the Common Market of the South, the waterway, and bilateral relations. "We will also talk about the Mitre and Martin Garcia canals, because we want the waterway to include the River Plate, and not stop at Rosario," he added.

Deputies Report Alleged Plan To Destabilize Country

PY2109032393 Asuncion NOTICIAS in Spanish 16 Sep 93 Pp 4,5

[Text] Yesterday, opposition congressmen reported that the corrupt structure of the police forces, the low salaries paid to the agents of order, and the resulting tendency to overlook the wave of criminal violence that is hitting the country are part of a campaign organized by destabilizing groups that seek to create grounds for coupist plans.

Francisco Jose de Vargas, Luis Alberto Mauro, and Hermes Rafael Saguier yesterday visited the NOTICIAS newspaper offices to report that they have reliable evidence that the police administration's deplorable state is part of a plan that seeks to render the country defenseless in face of the current wave of criminality.

De Vargas detailed the alleged plan. He said the tight police forces' salaries budget for this period will make policemen vulnerable to bribes and accomplices of criminals, the impunity of whom is increasing. De Vargas said: "No one can live on a salary of less than 300,000 guaranies." He added: "EO3 level officers receive a salary of 244,756 guaranies and EO2 level officers receive 226,008 guaranies."

De Vargas than commented on the issue related to the supply of foodstuffs which, he pointed out, is the basis of corruption. Every other day, officers receive less foodstuffs than what is reported in the budget. This shows that costs are exaggerated. De Vargas said that the agents of the order must purchase their own weapons, uniforms, and other equipment, which are deducted from their salaries. He added that these details clearly show why there is insecurity countrywide. "As they receive low salaries, complicity with criminals is predictable," he said.

Deputies De Vargas, Saguier and Mauro agree that corruption in the police force is clearly identifiable. De Vargas said that former Police Chief General Francisco Sanchez still controls the police administration and uses and benefits from the institution's assets. De Vargas asserts that he knows the names of several other people involved in similar illegal acts.

Where does all that lead to? The congressmen have a clear answer: To the insecurity of the citizens who, victims of criminals' impunity, call for a firm hand to control the situation and thus create the atmosphere for a military coup.

Military Law Repeal Vetoed; Override Expected

PY2109031093 Asuncion ULTIMA HORA in Spanish 15 Sep 93 p 3

[Text] President Juan Carlos Wasmosy this morning signed the decree vetoing the bill which repealed the Armed Forces General Organizational Law. The decision was made known around midday, and the document was immediately sent to Congress.

Presidential legal advisers Miguel Angel Maidana and Mario Cazal delivered the document to congressional authorities.

The veto of the bill, approved by Congress, which repealed the military law is based on the alleged congressional intention to revive an old Armed Forces organizational law, which is today outdated, by introducing some changes in the old text.

The executive branch objected to the congressmen's decision to repeal law 216/93, which was hastily approved by the previous congress, and to revive—with changes—Law 74/91, which is based on the 1967 constitution.

The executive branch argued that Law 74/91—which would temporarily replace the law Congress wants to repeal—is not in accordance with the new Constitution, and is based on the constitution that supported the dictatorial regime.

"The aforementioned errors are more than enough to justify vetoing the bill. The executive branch, however, will forward the important considerations over the changes and amendments introduced in Law 74/91," the document says.

Among the items that are questioned, the document mentions the first part of Article 2. The document says that this paragraph is unconstitutional because it only repeats Article 42 of the 1967 constitution, and is partially contrary to Article 173 of the current Constitution.

Wasmosy's legal advisers argued that legislators erred in repealing the entire law, which had been approved by the previous Congress. The correct thing would have been to introduce amendments to items considered not in accordance with the new Constitution, the advisers said.

The counselors added that these errors were more glaringly obvious when the legislators patched up Law 74/91.

Congressional sources have no doubt that the veto will be overridden, considering that the opposition alliance and the Arganaist faction [headed by Luis Maria Argana] command a majority in both chambers of Congress.

Opposition legislators questioned President Wasmosy's decision, arguing that the veto will only delay the approval of a new military law.

Generals To Discuss 'Smear Campaign' With Legislators

PY2109013093 Asuncion NOTICIAS in Spanish 15 Sep 93 pp 4-5

[Text] The charges made by [National Encounter] Deputy Silvio Ferreira, who asserted that during a meeting at the Military College two generals insulted the legislators, were questioned by high ranking militarymen, whose spokesmen—who asked to remain anonymous—have asserted that the smear campaign has surfaced due to the great unrest within the Army.

The military sources yesterday said that General Pedro C. Ocampos never participated in any meeting where, according to Ferreira, Military College Commander Brigade General Juan Evaristo Gonzalez Maldonado threatened to "kick out" of Congress the opposition legislators. According to the sources, Gen. Ocampos, chief of the General Staff, was on an official visit in the Republic of China on the date of the meeting mentioned by Ferreira.

Moreover, Military College sources denied that Gen. Gonzalez Maldonado had made such comments against the legislators. It was learned that there had been a campaign within the Armed Forces designed to discredit the head of the Military College and Gen. Ocampos.

Yesterday, some legislators told this daily that Ferreira had received false information as part of the campaign within the Army, which was designed to eliminate through "retirement" some individuals who disagree with certain members of the military leadership. Some legislators also told this daily yesterday that the division of the Armed Forces and the use of false information given to some legislators could create a state of war between the Armed Forces and Congress, which could lead to destabilization. This situation has prompted the legislators, who felt insulted to start an internal dialogue so as to reach an agreement with the affected generals, in order to clarify this matter. The meeting would be held between Deputies Luis Alberto Mauro, Silvio Ferreiro, Hermes Rafael Saguier, a congressional mediator, and Generals Ocampos and Gonzalez Maldonado.

Some of the aforementioned legislators confirmed this intention to NOTICIAS, and said that the generals will have to request the authorization of the commander in chief of the Armed Forces, Juan Carlos Wasmosy, to establish the date for the meeting.

Asked about the charges that Generals Ocampos and Gonzalez Maldonado are allegedly preparing an attack against Congress, National Defense Minister Hugo Estigarribia Elizeche answered that Deputy Silvio Ferreira should show evidence that his charges are accurate. Minister Estigarribia said: "I am not aware of such a thing, but if Deputy Ferreira has evidence of what he has said, he should show it." Estigarribia said that whoever makes such charges should produce the evidence to back them. Estigarribia said that to shoot in the dark could create an ungovernable situation, taking into account

that there is no evidence to prove the legislator's charges. The defense minister said that "this habit of firing in the dark could lead the country to an ungovernable situation."

As has already been stated, National Encounter Deputy Silvio Ferreiro charged Generals Pedro Ocampos, chief of the Armed Forces General Staff, and Juan Evaristo Gonzalez Maldonado, director of the Military College, of attacking Congress.

Congress Overrides Veto of Magistrates Law

PY2009231293 Asuncion ABC COLOR in Spanish 15 Sep 93 p 2

[Excerpt] By an absolute majority of its members, the Chamber of Deputies yesterday overrode the executive branch veto of Bill No. 240 derogating Law No. 212 regulating the Council for Magistrates. The Chamber of Deputies' decision was approved without discussion and determined the definitive abolition of the controversial law because the Senate previously had rejected it. Two other bills on the same subject presented by Senators Rafael Casabianca and Carlos Alberto Gonzalez currently are being studied by the Senate. The new law will be the result of a compromise between these two proposals regulating the Council of Magistrates, which was created by the Constitution and will be in charge of designating judicial branch officials. [passage omitted]

Group Drawing Up New Foreign Policy Guidelines

PY2109050393 Asuncion NOTICIAS in Spanish 12 Sep 93 p 16

[Text] According to Foreign Minister Diogenes Martinez, the interdisciplinary group of professors in public and private international law and "international relations," some Asuncion newspaper columnists, and the new members of the reorganized Foreign Ministry Advisory Council will define a new Paraguayan foreign policy for the period 1993-98 in the next few weeks and propose a reorganization of his portfolio.

The foreign minister, referring to the result of the third meeting of men "with experience and wisdom" on those issues with whom he met this past weekend, revealed to the press that there was a decision to approve the internal regulation and methodology that will be implemented at the ministry. Attended the meeting were members of the reorganized Foreign Ministry Advisory Council—Alberto Nogues, Carlos Augusto Saldivar, and Alexis Frutos Vaesken [all former foreign ministers], as well as presidential secretary General Bernardino Hugo Saguier Caballero and legislators Jose Felix Fernandez Estigarribia, Martin Sannemann, and Euclides Acevedo. The designation of the latter and Nogues are against present administrative regulations.

Other news is that Ambassador Alfredo Canete will be installed on 13 September as Foreign Ministry vice minister, replacing Ambassador Marcos Martinez Mendieta. Canete's mission to Belgium, the Netherlands, Luxembourg, and the EC therefore will terminate while Martinez Mendieta will again join the foreign service. He will choose between a mission at the United Nations or two European countries.

Peru

Drug Money Laundering Viewed

PY1809114593 Lima LA REPUBLICA in Spanish 8 Sep 93 p 15

[Article by Francisco Reyes]

[Text] Julio Castro Gomez, president of the Work Group on Drug Trafficking of the Democratic Constituent Congress Supervision Commission, has said that not one single case of drug traffickers' money laundering is currently being processed in Peru.

National Police Colonel Jose Diaz Navarro, former head of the Antinarcotics Police, has said: "We are still in the age of the drugie [hombre-droga]." Diaz delivered a lecture on the issue to Andean Pact member country representatives last 7 June. "Perhaps, in time, we will improve the legal mechanism to fight money laundering," the police chief added while offering information on seizures: "The police have seized two light planes, real estate, houses, apartments, buildings, land, vehicles, and $2.213 million."

PNP [Peruvian National Police] Colonel Daniel Fuscas, the Antinarcotics Police Financial Investigations Division chief, said that "traffickers contract very professional people to hide their money. One problem facing the police is how to control the drug money that filters into the legal system."

Legislator Castro Gomez said that the organizations responsible for fighting drug trafficking have not yet organized a specialized department, adding: "The Antinarcotics Police, the National Attorney's Office, and the Banks and Insurance Superintendency are responsible for prosecuting these crimes."

Superintendency Secretary General Jose Barba Mitrani said that the organization supervising banks has received approximately 3,000 requests from the Attorney General's Office in connection with drug trafficking." [no opening quotation mark as published]

Barba Mitrani said although a large number of requests from prosecutors' offices have submitted to the superintendency, "many are still being investigated."

The mechanisms for investigating money laundering have not yet been developed, Julio Castro said: "There is no political will. There is no specific interest in doing it. Only appearances and formalities have been complied with."

Castro Gomez admitted that considerable amounts of money are laundered in Peru: "It is capital in permanent movement. It is not hidden under the mattress."

Economist Edgardo Machado, a UN consultant, said that in 1991 Peru's economic system received approximately $2.052 billion through the production of coca leaves and coca paste, and other factors in the production process. Machado said the added value of the washed paste was $812 million, while production costs amounted to $4 million. This entailed a net profit of $742,000 per ton. Machado added that coca growers of the 14 coca producing valleys in the upper Peruvian jungle made a profit of approximately $2.487 billion per hectare [as published].

Peruvian traffickers are now producing a considerable amount of cocaine hydrochloride. This has permanently increased the amount of dollars flowing into the local economy. The Peruvian financial system absorbs a good deal of the drug money. Machado estimated that the Central Reserve Bank bought approximately $339 million in 1988 and $411 million in 1989.

The parallel banking system bought $142 million in 1988, while dollar savings deposits amounted to $236 million in that year, the equivalent of 1.37 percent of the GDP. In 1988, $138 million of drug money was used in smuggling operations; in 1989 the figure was $120 million; in 1988, the draining of capital amounted to $676 million. In 1990, washed paste and cocaine hydrochloride exports amounted to 70 percent of Peruvian legal exports, which in 1989 and 1990 ranged between $3 and $3.5 billion.

According to estimates in Fortune, a U.S. magazine that specializes on economics, the illegal trafficking of drugs throughout the world yielded a profit of $500 billion in 1992.

According to information supplied by Scott MacDonald, U.S. Banking and International Finances Department adviser, $85 million in "hot money" from drug traffickers is deposited per year in European and U.S. banks. According to the same source, $4 billion is the profit from international drug trafficking return to Colombia and approximately $1 billion to Peru.

New international rules against money laundering have been created during the past decade. According to MacDonald, "the cooperation of one country with another is necessary to prevent criminal operations from infiltrating the financial systems." On 20 December 1988, the United Nations drafted the "Convention Against the Illegal Trafficking of Narcotics and Psychotropic Substances" that referred to the identification, tracking, freezing, and confiscation of income generated by drug trafficking. What has Peru done in this field so far?

On 15 February 1990, the presidents of Peru, Colombia, Bolivia, and the United States agreed, through the Cartagena Declaration, to identify, track, freeze, and confiscate drug trafficking assets. A year later, on 24 April 1991, the government issued the so-called Banks Law or Legislative Decree on Banks, Financial Enterprises, and Insurance. This measure eliminated bank secrecy in drug trafficking cases.

Later, on 14 May 1991, the "U.S.-Peruvian Agreement on Drug Control and Alternative Development" was signed. Through this agreement the two governments agreed to launch an all-out struggle against money laundering through the international exchange of information. This same agreement provided for the adoption of an accounting system and the investigation of foreign signs of undue enrichment as mechanisms to detect the laundering of drug money.

However, not until 8 November 1991 was the crime of money laundering legally defined in Peru. Legislative Decree No. 736 reiterated the elimination of bank secrecy and tightened the sanctions for subversive elements and bankers. This decree, however, was abrogated by Congress. Law No. 25404, dated 11 February 1992, replaced the concept of money laundering with the possession of ill-gotten goods [receptacion], which is punishable by six to 15 years imprisonment.

After the self-inflicted coup on 5 April, the government abrogated the law drafted by Congress and, through a decree law, restored the original law defining the crime of laundering money obtained through drug trafficking.

Decree Law No. 25428, promulgated by the executive branch on 9 April 1992, based on the emergency power established de facto, in addition to defining the crime of money laundering tightened sanctions by increasing the prison sentences to 10 to 28 years.

Peru and other OAS members later participated in the drafting of the "Model Regulation" of the Inter-American Committee for the Control of Drugs and Drug Abuse, CICAD, which was finally approved on 22 May 1992. The "Model Regulation" proposed an integral monitoring of money laundering. In view of the diverse number of financial systems operating in the region, the Anglo-Saxon and Roman, joint definitions were established at first and then the type of crimes, the jurisdiction, and the confiscation of assets.

The same "Model Regulation" provided for the protection of third parties involved out of good faith, the destination of funds, crimes committed abroad, the financial system's responsibilities and functions, and the availability of registry and bank secrecy.

Moreover, the Peruvian and U.S. Governments agreed to jointly struggle against money laundering. In this regard, they signed the "Agreement to Cooperate in the Prevention and Control of the Laundering of Money From the Illegal Trafficking of Narcotics and Psychotropic Substances."

During the meeting at a ministry level held in Mexico, Peru reiterated its commitment, through the "Ixtapa Declaration and Action Program" signed on 20 April

1993, by proposing the identification, tracking, arrest, seizure, and confiscation of the assets belonging to those engaged in money laundering.

The money obtained from drug trafficking, in addition to corrupting and undermining the morale of state institutions, has contributed to a great extent to financing the activities of subversive groups and the acquisition of weapons and ammunitions in the country's coca production areas.

Throughout the years, the interdiction practiced by the drug producing countries alone has not been very successful, stated Scott MacDonald. He added: "The bloodstream that keeps the monster alive must be cut: money."

Authorities Present 52 MRTA, Shining Path Subversives

PA2009204493 Lima Panamericana Television Network in Spanish 1200 GMT 17 Sep 93

[From the "Good Morning Peru" newscast]

[Excerpts] The capture of MRTA [Tupac Amaru Revolutionary Movement] leader Nestor Serpa is getting closer and closer. He is said to be in northern Peru. Meanwhile, in Tingo Maria and El Milagro, authorities presented 52 subversives, including members of Shining Path and the MRTA, to the public. Twenty-nine of these rebels repented and decided to surrender to military authorities. There is one column left in the MRTA's Northeastern Front. It is headed by Comrade Miguel, who is fleeing to Amazonas Department.

This is the result of work by the Alto Huallaga Front, which began in January 1992 with seven detachments. Now the group, which operates in Cumata, Saboya, and is led by Jose Luis Soto, Comrade Eloy; and Baudilio Vasquez, Comrade Tito; surrendered with two other rebels at the Roger Infantes Quevedo Fort in Tingo Maria. As proof of their repentance, they burned a red flag and then swore loyalty to the Peruvian flag. According to the rebels who repented, the MRTA abuses its members. This organization resorts to lies and threats in order to get their collaboration, they added.

Fifteen Shining Path terrorists, who repented, were also presented. They were captured in recent counterinsurgency actions. Political and military leaders of Alto Huallaga and Armed Forces Commander General Nicolas Hermoza Rios attended this presentation. The repentant Shining Path terrorists also pledged allegiance to the flag.

Later authorities also showed 15 Shining Path members, who were captured in recent actions. They included a 12-year-old boy identified as Carlos. This child, who was snatched from his town, Pampas, was forced to participate in the 6 September killing of peasants in Bella, Huanuco. [passage omitted on boy telling his story] This is not the only case of this kind. According to the boy, another seven minors are being held at Shining Path camps in the jungle. New measures are urgently needed to rescue these children, who are snatched from their homes in the mountains.

Alto Huallaga officials say that the number of terrorists seeking the protection of the law for repentant rebels keeps increasing. This is a result of intense propaganda through the media and distribution of leaflets.

The official retinue then went to El Milagro in Amazon Department where the 5th Jungle Infantry Division operates. A few days ago, this division conducted two counterinsurgency actions called Rastrillo and Jupiter. These actions resulted in the arrest of eight MRTA terrorists, who were presented this afternoon. During the event, one of the subversives asked to be allowed to seek the protection of the law on repentance, a request, military souces noted, that will be studied.

In addition, the authorities displayed the war materiel that was seized, including rocket launchers, AKM and FAL rifles, as well as rifles with telescopic sight. There were also grenades of various kinds, fuses, and ammunition. Printed material was also shown.

It was also reported that eight MRTA members, who repented, showed up at the military base. One of them brought his wife and six children. The information given by those who repented could lead to Nestor Serpa, who is the leader of the MRTA's Northeastern Front. There are seven patrols combing the jungle area in search of new terrorist columns. Information on their possible location was given by those who put down their weapons.

Status of Shining Path Members

PY2209022493 Lima EL PERUANO in Spanish 10 Sep 93 p A6

[List of Shining Path Central Committee members and their current legal status published in a boxed insert]

[Text] Shining Path Central Commitee

1) Politburo

1.1) Permanent Committee:

1. Abimael Guzman Reinoso, aka "Gonzalo," (arrested)

2. Elena Albertina Iparraguirre Revoredo, aka "Miriam," (arrested)

3. Oscar Alberto Ramirez Duran, aka "Feliciano," (at large)

1.2) Central Committee members:

4. Hugo Deodato Juarez Cruzat, aka "German II," (dead)

5. Elizabeth Gonzales Otoya Santiesteban, aka "Aurora," (arrested)

6. Margie Evelyn Clavo Peralta, aka "Nancy" (at large)

7. Teresa Duran Araujo, aka "Doris," (at large)

8. Yovanka Pardave Trujillo, aka "Sarah," (dead)

9. Laura Zambrano Padilla, aka "Renee," (arrested)

10. Osman Morote Barrionuevo, aka "Nicolas," (arrested)

11. Margot Liendo Gil, aka "Noemi," (arrested)

12. "Marcelo" (at large)

13. Elvia Nila Zanabria Pacheco, aka "Juana," (dead)

14. "Remigio" (at large)

15. "Ramiro" [Luis Arce Borja] (at large)

16. "Pepe" (at large)

17. Edmundo Cox Beuzeville, aka "Federico," (arrested)

18. Gerardo Saenz Roman, aka "Claudio," (at large)

19. Luis Ostap Morote Barrionuevo, aka "Luis," (at large)

1.3) Alternate members:

20. Tito Roger Valle Travesano, aka "Esutaquio," (dead)

21. Friolan Orestes Clavo Gonzales, aka "Augusto," (at large)

22. Carlos Alberto Hidalgo Marchand, aka "Omar," (at large)

23. Judith Ramos Cuadros, aka "Rita," (at large)

24. Victoria Obdulia Trujillo Agurto, aka "Elizabeth," (arrested)

25. Julia Marlene Daniles Alvarado, aka "Valia," (at large)

Government Informs UN About Shining Path Massacre

PA2109155293 Lima Radio Programas del Peru Network in Spanish 1800 GMT 20 Sep 93

[From the "Newspaper of the Airwaves" newscast]

[Text] The Peruvian Government has informed the UN General Assembly of the killing of 55 civilians perpetrated on 19 August by Shining Path terrorists in Mazamary Valley. In a letter sent to the United Nations, the Peruvian Government reported it adopted immediate measures to investigate what happened, assist the victims, and step up the search for those responsible.

In addition to condemning the massacre, in which 55 defenseless people were murdered and 11 were seriously injured, the letter reported that hundreds of children were left orphaned and dozens of families lost property to the terrorists' pillaging.

Finally, the letter recalled that Dr. Javier Perez de Cuellar, former UN secretary general, called on nongovernmental human rights organizations to condemn the massacre and asked them to launch an international campaign to report the violations perpetrated by terrorist groups in Peru.

'Peaceful' Student Demonstration Turns 'Violent'

PA1809144793 Lima Global de Television Network in Spanish 0100 GMT 18 Sep 93

[From the "Direct Line" newscast]

[Text] What started as a peaceful demonstration by San Marcos University students to protest the draft of the new Constitution has ended up as a violent demonstration. The National Police had to intervene to disperse the students.

The march was peaceful but lost sight of its goal when a group of students confronted the National Police with a shower of stones that was answered by tear gas and shots in the air. Another group of students concurrently disrupted traffic by blocking Venezuela Avenue with stones and burning tires. The demonstration, nevertheless, did not end there. Using university buses, students and faculty led by Dean Reategui arrived at the university's main building where the National Police again dispersed them.

Justice Minister Vega Santa Gadea Interviewed

PY2109022393 Buenos Aires LA PRENSA in Spanish 12 Sep 93 p 3

["Exclusive" interview with Justice Minister Fernando Vega Santa Gadea by reporters G.P. and G.B.; place and date not given]

[Text] [LA PRENSA] Some 17 months ago, President Alberto Fujimori ordered the restructuring of the judicial branch. What are the results of this decision?

[Vega] I believe there are two results. First, the dismissal of the Supreme Court members was appropriate. The new justices were elected not for political reasons but for their professional and academic background. Consequently, court decisions have been made responsibly and the opposition has not made a single complaint on the subject.

Second, I admit that the replacement of 600 ordinary magistrates or lower court judges did not yield the expected results. Transgressions persist, and common people do not yet feel that justice is within their reach.

[LA PRENSA] Some government officials—including Fujimori, although not openly—have said that the arrest of Abimael Guzman and other harsh blows to terrorism have been made possible by the "self-coup." Do you agree with that?

[Vega] There are additional factors. The arrest of the Shining Path leader was possible thanks to several measures designed by the president. First, he assumed leadership of the antiterrorist struggle. He then concentrated intelligence work in a single organization, Dincote (the National Counterterrorism Directorate), at the head of which he designated an efficient officer, General Antonio Ketin Vidal. The centralization of the intelligence work was a key factor. In the past, each military and security force had its own division, thus causing confusion and duplication of work.

[LA PRENSA] What must still be done to liquidate the Shining Path?

[Vega] The arrest of the last four or five top leaders.

[LA PRENSA] At the rank-and-file level, have the "annihilation commandos" and "self-generated organs" that infiltrated the state been dismantled?

[Vega] They are no longer a destabilizing factor. Another major success was the dismantling of the "People's Aid of Peru," a parallel organization that rendered valuable logistic support to terrorists, ranging from health assistance to legal support for detainees. Furthermore, prisons are no longer run by the Shining Path, but by the appropriate authorities.

[LA PRENSA] What is the legal status of former President Alan Garcia?

[Vega] He must answer charges in two trials, one for illegally obtaining wealth—his assets are not proportionate to his remunerations—and the other for possession of military weapons. The Colombian Supreme Court has turned down the first request for his extradition. Two other lawsuits will surely be filed, one of them for the BCCI [International Credit and Commercial Bank] case, and the other for the purchase of Mirage planes during his administration.

[LA PRENSA] What is your position regarding the death penalty provisions in the new Constitution, which were proposed by Fujimori?

[Vega] The president has his ideas. I respect his decision, but disagree for pragmatic reasons. History teaches us that the death penalty has never been a deterrent because those who commit crimes that justifies such a penalty are unable to foresee the consequences of their actions. Lawmakers, however, have listened to the opinion of the majority. The people are tired of Shining Path attacks and want the death penalty for those who kill in cold blood, black out entire cities, and sabotage the economy. We Peruvians want a country with a future.

Editorial Criticizes Apparent Privatization Purpose

PY2109011493 Lima EXPRESO in Spanish 3 Sep 93 p 22

[Editorial: "Privatization Is Not To Be Done for the Purpose of Increasing Treasury Income"]

[Text] One should wonder whether the privatization policy is not making the mistake of seeking as high a price as possible at the expense of competition and development.

A typical example is the sale of Aeroperu [Peruvian State Airline]. In order to obtain the highest possible price, the monopoly of its routes was strengthened. This measure actually permitted the enterprise to be sold at a price that was higher than expected, but it also entailed restricting the development of competition in the air transport market. For example, shortly after beginning to operate the airline that submitted the winning offer threatened to return Aeroperu if some licences, which the Transport Ministry had, in the meantime, granted to other airlines, were not cancelled. The airline was therefore demanding a right of monopoly, which it claimed to enjoy on the basis of the terms of the privatization accord.

Despite this, for those routes in which it was possible to liberalize the concession of licences, the number of airlines and flights has increased. Air ticket prices have thus substantially dropped, to the benefit of consumers. And, obviously, to the benefit of tourism.

A request has now been made to renegotiate a bilateral agreement with the United States in order to increase the number of flight frequencies. If this is implemented, competition among airlines will increase and they will have to advertise Peru in the United States in order to fill their flights. We reiterate that this will benefit the local tourism sector. It should be ascertained, however, why such a renegotiation has not been made.

Apparently it has not been understood that privatization should not be done for the purpose of obtaining as high an income for the Treasury as possible, but for promoting private investment, for promoting specific sectors, and for improving the services rendered to consumers. Aeroperu is not the only case. Privatization of the telecommunications enterprise seems to follow the same pattern. In this area, a five-year monopoly is being created for some operations, so that, it has been said, the winning enterprise could agree to make an investment that the enterprise would otherwise, if faced with competition, not make because it would be unprofitable. Can competition be good for airlines and bad for telephone companies? This is something that should be analyzed more deeply.

Whatever the case, there are other examples showing that Copri [Commission for Promotion of Private Investment] is working with the idea of increasing revenues: Petrolera Transoceanica, Paramonga, and Copez [expansion unknown] cannot be sold because of their excessively high prices. In the case of Copez, a lawsuit has even been filed against private shareholders who bought the company's majority stock.

In other words, Copri is afraid to sell, and it will sell only if it can obtain a high price, the main reason why the process seems to have become extremely slow. We reiterate that privatization should not be regarded as a good

deal for the Treasury, but for the national economy. It is a tool for promoting competition and investment, and for eliminating monopolies; not for transferring monopolies to private hands.

Anthropologist on Ashaninka Indians' Situation

PY2009225793 Lima EXPRESO in Spanish 9 Sep 93 p A14

[Text] Dr. Fabiola Luna Pineda, president of the Amazon Center for Anthropology and Practical Use [CAAAP], said yesterday that more than 10,000 native Ashaninkas are being held captive by subversives while another 55,000 are virtually isolated from civilization as a result of the governments' neglect and indifference.

Luna presented her report before the CCD [Democratic Constituent Congress] Environment Committee. She told the press afterward she was concerned about the situation of some 10,000 Ashaninkas who have been held captive for quite some time by Shining Path criminal followers under death threats against them and their families. "Fortunately, many of them have been rescued, either by their own people, organized in peasant patrols, or by the Armed Forces. It is necessary, however, to act immediately to remedy this situation, which tends to deteriorate," Luna added.

The anthropologist also called on the government to provide infrastructure for jungle natives in the areas of health, transportation, and education. She said nearly 55,000 natives inhabit the region and some of them have settled in communities such as Poyeni, Puerto Ocopa, Letania, and Cutivireni. She warned, however, that they are practically isolated and without the possibility of moving around according to their customs.

This situation has been partially checked by the CAAAP with the teaching of Spanish and medical assistance, among other things. The center also donates food, clothing, and medicines to the natives."This aid, however, is not enough. This is why we call on the government to look after the needs of these members of our community by sending physicians and building roads, among other things. [missing quotation mark as published] At this time that job is done by the CAAAP with the support of the German, Dutch, and Swiss Catholic Churches. There is also a special fund in the National Compensation and Social Development Fund (Foncodes) for looking after this important ethnic group.

Luna Pineda concluded by saying that another point in her report to the CCD had to do with land regulation "because we want to coordinate with legislators on aspects on land possession in jungle areas." Luna expressed satisfaction with the Environment Committee's receptiveness, adding that from now on she will maintain close contact with committee representatives seeking to implement a series of proposals to aid the country's natives.

Suriname

Four Ministers Resign Government Posts

BR2109112293 Amsterdam DE VOLKSKRANT in Dutch 20 Sep 93 p 1

[Article by Linda Otter: "Four Ministers Leave Surinamese Government"]

[Text] Paramaribo—On Sunday, 19 September, four ministers left the government following an interim assessment after two years of government policy under the New Front coalition. The ministers' departure is intended to regain the confidence of voters after the recent bribery and rice imports affairs.

The four ministers involved are: Gobardhan of Trade and Industry; Pollack of Natural Resources; Sedoc of Planning and Development; and Simons of Labor. Simons resigned of his own accord because of discontent with the progress of government policies. Sedoc indicated health reasons for his departure.

Gobardhan and Pollack left at the insistence of President Ronald Venetiaan. He considers Gobardhan responsible for the problems with rice traders, who are leaving rice in their warehouses in the hope that the dollar will rise and they earn more for their products. However, the government urgently needs the proceeds from rice sales. Venetiaan has warned rice farmers that measures would be taken if they did not market their rice.

Over the last few weeks rumors have been going round that various ministers would be forced to depart. One of the strongest critics of the Venetiaan government has been F. Derby, president of the Surinamese Labor Party (SPA), which is one of the four coalition parties.